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# INVESTIGATION OF ORGANIZED CRIME IN INTERSTATE COMMERCE

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## HEARINGS

BEFORE THE

SPECIAL COMMITTEE TO INVESTIGATE  
ORGANIZED CRIME IN INTERSTATE COMMERCE  
UNITED STATES SENATE

EIGHTY-FIRST CONGRESS

SECOND SESSION

AND

EIGHTY-SECOND CONGRESS  
FIRST SESSION

PURSUANT TO

## S. Res. 202

(81st Congress)

A RESOLUTION AUTHORIZING AN INVESTIGATION OF  
ORGANIZED CRIME IN INTERSTATE COMMERCE

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### PART 4-A

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### MISSOURI

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Pt. 4A

JUNE 13, 29; JULY 18, 19, 20; SEPTEMBER 29, 30, 1950;  
FEBRUARY 23, 24, 1951

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Printed for the use of the Special Committee To Investigate  
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SPECIAL COMMITTEE TO INVESTIGATE ORGANIZED CRIME IN  
INTERSTATE COMMERCE

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HERBERT R. O'CONOR, Maryland                   CHARLES W. TOBEY, New Hampshire  
LESTER C. HUNT, Wyoming                       ALEXANDER WILEY, Wisconsin

RUDOLPH HALLEY, *Chief Counsel*

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4. Photostatic copy of magazine article entitled "Smilin' Bill Molasky"-----	6	(1)
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7. Batch of statements of account with I. M. Simon & Co. for Mrs. Dorothy Molasky-----	6	(2)
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# INVESTIGATION OF ORGANIZED CRIME IN INTERSTATE COMMERCE

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TUESDAY, JUNE 13, 1950

UNITED STATES SENATE,  
SPECIAL COMMITTEE TO INVESTIGATE  
ORGANIZED CRIME IN INTERSTATE COMMERCE,  
*Washington, D. C.*

EXECUTIVE SESSION

The subcommittee met, pursuant to call of the chairman, at 3:15 p. m., in room G-48, United States Capitol, Senator Estes Kefauver (chairman) presiding.

Present: Senators Kefauver and Hunt.

Also present: Rudolph Halley, chief counsel, and Harold G. Robinson, chief investigator.

The CHAIRMAN. The committee will come to order.

Mr. Molasky, will you be sworn?

Do you solemnly swear that the testimony you will give the committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. MOLASKY. Yes.

The CHAIRMAN. All right, Mr. Halley, will you proceed?

## TESTIMONY OF WILLIAM MOLASKY, ST. LOUIS, MO., ACCCOMPANIED BY MORRIS A. SHENKER, ATTORNEY, ST. LOUIS, MO.

Mr. HALLEY. Will you state your address, Mr. Molasky?

Mr. MOLASKY. My name is William Molasky. I live at 2 Aberdeen Place, St. Louis, Mo.

I am in the magazine, newspaper, and racing periodical distributors business.

Mr. HALLEY. At what address?

Mr. MOLASKY. 2206 Locust Street, St. Louis, Mo.

Mr. HALLEY. Did you prepare a written statement for this committee?

Mr. MOLASKY. I did.

Mr. HALLEY. I show you a statement which you signed; is this the statement?

Mr. MOLASKY. Yes, sir.

Mr. HALLEY. I offer it as exhibit No. 1.

(Exhibit No. 1 appears in the appendix on p. 793.)

The CHAIRMAN. We will let that be his direct presentation.

Mr. HALLEY. His direct presentation.

The CHAIRMAN. Mr. Halley, let it be shown also that Mr. Morris A. Shenker, attorney at law, St. Louis, is with his client, Mr. Molasky, at this hearing.

Mr. MOLASKY. I am appreciative of the opportunity that was given to me to appear before the committee to testify under oath as to all my business dealings, my associations, and my activities.

My name is William Molasky. I am 58 years of age. I was born and raised in the city of St. Louis, Mo. I reside with my wife at 2 Aberdeen Place, St. Louis, Mo. I have two children and three grandchildren.

My business career dates back to 1898 when at the age of 6 I began selling newspapers at various street corners in the city of St. Louis. I continued in that line of occupation until about 1908 when in addition to selling newspapers I became a local wholesale distributor for the Curtis Publishing Co. For a substantial period of time I was also the exclusive distributor for the entire downtown district of St. Louis of the Sunday editions of the St. Louis Post-Dispatch, St. Louis Globe-Democrat, and the St. Louis Republic. The development of this business continued with the acquisition of franchises for the distribution of various and numerous national publications.

Upon being married, my wife joined me in this business and when my boys became of age they followed the same occupation. My entire family is and has been continuously engaged in the distribution of publications. We operate under the trade name of the Pierce Building News Co. located at 2206 Locust Street, St. Louis, Mo.; in New Orleans as the Louisiana News Co.; and in Kansas City, Mo., and Kansas City, Kans., as the Kansas City News Distributing Co.

The publishing firms represented by us and whose publications we distribute are: Curtis Circulation Co., Independence Square, Philadelphia, Pa.; Fawcett Publications, Inc., Fawcett Building, Greenwich, Conn.; Hillman Periodicals, Inc., 535 Fifth Avenue, New York, N. Y.; Independent News Co., Inc., 480 Lexington Avenue, New York, N. Y.; International Circulation Division, 250 West Fifty-fifth Street, New York, N. Y.; Kable News Co., 420 Lexington Avenue, New York, N. Y.; Leader News Co., Inc., 114 East Forty-seventh Street, New York, N. Y.; Macfadden Publications, Inc., 205 East Forty-second Street, New York, N. Y.; M. L. A. Publications, 488 Madison Avenue, New York, N. Y.; Pocket Books, Inc., 18 West Forty-eighth Street, New York, N. Y.; Popular Publications, Inc., 205 East Forty-second Street, New York, N. Y.; Publishers Distributing Corp., 1841 Broadway, New York, N. Y.; S-M News Co., Inc., 229 Fourth Avenue, New York, N. Y.

In addition to the distribution of national magazines, we distribute the following newspapers: Chicago Daily News, Inc., 400 West Madison Street, Chicago, Ill.; Chicago Herald-American, 326 West Madison Street, Chicago, Ill.; Chicago Journal of Commerce, 12 East Grand Avenue, Chicago, Ill.; Chicago Tribune, Tribune Square, Chicago, Ill.; the News, 220 East Forty-second Street, New York, N. Y.; New York Times, Times Square, New York, N. Y.; Chicago Sun-Times, 211 West Wacker Drive, Chicago, Ill.; New York Mirror, care of International Circulation Division, 250 West Fifty-fifth Street, New York, N. Y.; Sporting News, 2018 Washington Avenue, St. Louis, Mo.; New York Herald Tribune, 230 West Forty-first Street, New York, N. Y.

The following sport and racing periodicals: Ace Clocker, 64 West Randolph Street, Chicago, Ill.—the name of their publication is Ace Clocker; Bulletin-Record Publishing Co., 608 South Dearborn Street, Chicago, Ill.—the names of their publications are Turf Bulletin Daily, Turf Bulletin Weekly; Cincinnati Racing Record, 320 East Third Street, Cincinnati, Ohio—the name of their publication is Cincinnati Racing Record; Daily Sport News, 906 South Wabash Avenue, Chicago, Ill.—the name of their publication is Daily Sport News; Triangle Publications, Inc., Daily Racing Form, 731 Plymouth Court, Chicago, Ill.—the names of their publications are Daily Racing Forms, Racing Telegraphs; Daily Sports Bulletin Co., 32 West Twenty-second Street, New York, N. Y.—the name of their publication is Sports Bulletin; Illinois Sports News, 906 South Wabash Avenue, Chicago, Ill.—the names of their publications are Illinois Green Sheet Daily, Illinois Green Sheet Weekly; K. & T. Distributing Co., Inc., 422 West Eighteenth Street, New York, N. Y.—the names of their publications are Winning Horse, Man O' War, Si & Smudgie, Turf Time, Golden Dozen; Racing Blue Book, 1431 Broadway, New York, N. Y.—the name of their publication is Racing Blue Book; Sportscaster Publications, 327 South La Salle Street, Chicago, Ill.—the name of their publication is Sportscaster Ratings; Sporting Leader Publishing Co., 407 South Dearborn Street, Chicago, Ill.—the names of their publications are Master Clocker Weekly, Clocker Last Minute Reports.

We also print, publish, distribute, and sell a scratch sheet and entries. I have never engaged in bookmaking or in any commercial gambling. I have never had a financial interest in any gaming establishment; and, my personal and business associates do not include bookmakers or professional gamblers. Even though a distributor of publications during my entire life, I cannot, to this date, interpret a racing form.

Pioneer stock: In 1932 my family acquired 12½ shares of stock in a company now known as the Pioneer News Service, Inc., at a cost of \$25,000. On or about 1940, I acquired 22½ additional shares of that stock. The business of Pioneer News Service, Inc., is to distribute and disseminate information pertaining to sporting events and other news of an unusual and sudden nature. The total number of shares of stock issued by that company is 100; 65 shares of which are owned by William Brown and his mother, Agnes Brown. There are no other stockholders in that corporation.

Even though I am a minority stockholder, I have, since about 1943 or 1944, continuously countersigned all checks for the disbursement of corporate funds. These funds are used to pay for the news, ordinary operating expense, salaries, and payments to stockholders and directors. All Pioneer employees, excepting the officers, are on full time. No one excepting the Brown and Molasky families has a financial interest in Pioneer. There are no gangsters, mobsters, racketeers, or other persons of questionable character connected with, interested in, or employed by Pioneer News.

The Pioneer News Service, Inc., is the only corporation that disseminates news of sporting events in which I—or my family—have a financial interest. We have no connections whatsoever with any wire service company in any other city, county, State, or municipality. Being a minority stockholder in Pioneer, I have never had the authority, nor did I attempt to, set the policy of Pioneer.

Western Union: Prominence was given recently by the St. Louis Post-Dispatch to the fact that I am the holder of 14,000 shares of Western Union stock with the implication that there might be some special reason for such ownership. The acquisition and ownership of these shares of stock has no bearing whatsoever, was not induced by, was not influenced, and is in no wise the result of my financial interest in Pioneer News Service.

For years I made it a practice of purchasing and selling various listed stocks. My first purchase of Western Union stock dates back to 1937. I disposed of all Western Union stock in about 1943 and from that date until July of 1946 I did not own any stock in that company. As a speculator, I purchased Western Union stock in July of 1946; and, as a direct result of what appears to be a form letter sent by that company to all stockholders calling attention to certain contemplated technological improvements which they claimed would result in a substantial savings in operation costs, I made a personal investigation at the company's offices in New York and being impressed by the prospects of additional earnings due to savings on labor, we purchased additional shares of stock in that company, all of which stock is still owned and retained by us.

At no time did I discuss with any member of the board of directors or any officers of Western Union the use of their facilities by Pioneer or any other wire service company. I did not attend any of the annual meetings; did not express an opinion to the officers or directors as to the policy of the corporation; and, in no wise participated in the operation of Western Union.

I executed a proxy whenever one was mailed to me by the management and I presume the management used it in the same manner as they used proxies executed by other stockholders. There is serious doubt in my mind if any officers or directors of Western Union knew that I had a financial interest in Pioneer.

I doubt if the majority stockholders of Pioneer knew of my ownership of Western Union stock. I do not recall ever discussing that matter with any one connected with Pioneer. In purchasing Western Union stock, I was guided by the same principles as I am in the purchase of any other stock listed on the New York Stock Exchange.

Mr. HALLEY. Now, Mr. Molasky, do you have any other documents or material which you desire as part of your affirmative presentation, to put before this committee, or anything else you would like to say?

Mr. MOLASKY. Well, I have my Western Union receipts, Western Union stock receipts. I have my stock of the Pioneer News Co.

Mr. HALLEY. Do you have any material about yourself which you care to place before the committee?

Mr. MOLASKY. If you have no objection, I would like to do so.

Mr. HALLEY. You go right ahead.

The CHAIRMAN. You go right ahead and do so.

Mr. MOLASKY. I have a clipping dated July 3, 1910. It speaks for itself. I have a newspaper clipping of the St. Louis Globe Democrat, dated November 19, 1915.

Senator HUNT. Mr. Chairman, do we wish this marked as an exhibit?

Mr. HALLEY. Yes.

Senator HUNT. I will hand it to you in a couple of minutes.

The CHAIRMAN. That will be exhibit No. 2. The others will follow in sequence.

(Exhibit No. 2 is on file with the committee.)

Mr. MOLASKY. I also have another dated October 1928. This was taken from a Hearst house organ.

I want to introduce a plaque that I received from the Curtis Publishing Co., which is self-explanatory.

I also want to introduce another plaque from the S-M News Co., which publishes Reader's Digest, McCall magazine, Red Book, and several other publications.

Mr. HALLEY. Will you describe the plaques that we do not have to put it or them in evidence?

We will let the record indicate that the first is a gold-star certificate for maintaining satisfactory account relations from 1910 to 1948 awarded to the Pierce Building News Co. by the Curtis Circulation Co., and the second is a plaque presented to William Molasky on the occasion of the twenty-fifth anniversary of the S-M News Co., Inc., presented by whom is that? Who presented that to you?

Mr. MOLASKY. This is by Wilbur Smith, the general manager; and the president—I cannot make that name out.

Mr. HALLEY. All right.

Now, is there anything else you wanted to present to the committee with reference to yourself?

Mr. MOLASKY. I have a telegram from the vice president of Curtis Publishing Co., and if there is no objection I would like to present that.

Mr. HALLEY. Surely.

Mr. MOLASKY. O. K.

Mr. HALLEY. Hand it right up.

Mr. MOLASKY. I have several letters from various charity institutions showing my work in the community in St. Louis, if I may present that to you.

I also have a letter from a publisher of the News Democrat, of Festus, Mo.

Mr. HALLEY. Why don't you hand them all up at once, so that the committee may inspect them?

Mr. MOLASKY. I have a letter dated July 31, 1946, signed by Joseph L. Egan, president of the Western Union.

I also want to give you all of my stock transactions of myself and my wife.

Mr. HALLEY. May I see that, please?

We have a batch of purported sheets of account from a broker, I. M. Simon & Co. Would you state whether this batch of statements that you have given the committee contains all of the statements relating to the account of Mrs. Dorothy Molasky that you are in possession of?

Mr. MOLASKY. Those statements I am giving to you now are the exact statements I received from I. M. Simon & Co. of all my stock transactions from this date to the present time.

Mr. HALLEY. And Mrs. Dorothy Molasky is your wife?

Mr. MOLASKY. Yes, sir.

Mr. HALLEY. Now, you have given the committee the statements relating to Mrs. Molasky. Do you have your own?

Mr. MOLASKY. I have my own; yes, sir.

Mr. HALLEY. Now, Mr. Molasky, you stated to this committee that you requested to be heard; is that right? You had word sent to this committee?

Mr. MOLASKY. That is right; that is correct.

Mr. HALLEY. And you asked that a telegram be sent to you asking you to come to Washington?

Mr. MOLASKY. That is correct.

Mr. HALLEY. And your appearance here is entirely voluntary and at your own request; is that so?

Mr. MOLASKY. That is true.

Mr. HALLEY. Now, do you waive any immunity for prosecution for any criminal matters about which you may testify here?

Mr. SHENKER. He does.

Mr. HALLEY. Will you answer for yourself?

Mr. MOLASKY. I do.

Mr. HALLEY. You are accompanied here by your counsel; is that right?

Mr. MOLASKY. Yes, sir.

Mr. HALLEY. And he has advised you of your legal rights?

Mr. MOLASKY. Yes, sir.

Mr. HALLEY. Now, is there any other material that you have brought here, in response to the committee's telegram above referred to, any books of account or records?

Mr. MOLASKY. I have the Pioneer News Co. income tax for the years of 1946, 1947, 1948, and 1949.

Mr. HALLEY. Are there any other records that you brought?

Mr. MOLASKY. General ledger—I believe this is the general ledger, I know nothing about books. I believe this is the general ledger about the Pioneer News Co. The stock book—

Mr. HALLEY. Of the Pioneer News Co.?

Mr. MOLASKY (continuing). Of the Pioneer News Co.

Mr. HALLEY. Now, to keep the record straight at this point, exhibit No. 3 is a new item entitled "Times Newsboy Wins \$950 Prize."

Exhibit No. 4 is a photostatic copy of a magazine article entitled "Smilin' Bill Molasky."

Exhibit No. 5 is a Western Union telegram dated June 29, 1949.

Exhibit No. 6 is a photostatic copy of a page of the St. Louis Daily Globe Democrat of December 19, 1949.

You offer in evidence as exhibit No. 7 a batch of statements of account with I. M. Simon & Co. for Mrs. Dorothy Molasky.

The CHAIRMAN. Let them be received in evidence and marked as exhibits as related by Mr. Halley.

(The documents referred to were received as exhibits Nos. 3, 4, 5, 6, and 7, and are on file with the committee.)

Mr. HALLEY. As exhibit No. 8 you have submitted a batch of statements of I. M. Simon & Co. to Mr. William Molasky.

Exhibit No. 9 consists of confirmations of sales to Mr. William Molasky from I. M. Simon & Co.

Exhibit No. 10 consists of confirmations of sales to Mrs. Dorothy Molasky.

Exhibit No. 11 consists of receipts of payment to Mrs. Dorothy Molasky; and exhibit No. 12 consists of receipts of payment to Mr. William Molasky.

(The documents referred to were received as exhibits Nos. 8, 9, 10, 11, and 12, and were returned to the witness after analysis by the committee.)

Mr. SHENKER. In other words, so that the record may be clear, may it show that all of those papers that are identified as exhibits 8, 9, 10, 11, and 12, that those are all the documents that were received by Mr. Molasky from the broker from which they purport to have been issued, and, that is, the only documents that he has in his possession.

Mr. HALLEY. He is appearing here and has produced all of this voluntarily.

Mr. SHENKER. That he has those and is producing them.

Mr. HALLEY. Now, Simon & Co. is the only brokerage house with which you have dealt; is that correct?

Mr. MOLASKY. From 1937 to the present date.

Mr. HALLEY. Is that true of your wife?

Mr. MOLASKY. Yes, sir.

Mr. HALLEY. And to the best of your knowledge, is that true of the other members of your family?

Mr. MOLASKY. Yes, sir.

Mr. HALLEY. As exhibit No. 13, we have an account ledger of the Pioneer News Co.; and exhibit No. 14 is a stock certificate book of the Pioneer News Co.

(The documents referred to were received as exhibits Nos. 13 and 14 and were later returned to the witness.)

Mr. HALLEY. Mr. Molasky, have you any other records that you have produced and desire to produce at this time?

Mr. MOLASKY. Did I give you my stock certificates?

Mr. HALLEY. You did not.

Mr. MOLASKY. Here they are.

Mr. HALLEY. A batch of five stock certificates of the Pioneer News Co., numbered 23, 14, 15, 12, and 13, are received as exhibit No. 15.

(The documents referred to were identified as exhibit No. 15, and were later returned to the witness.)

Mr. HALLEY. The chairman suggests that these, having been received, will be returned to you for your custody.

Mr. MOLASKY. Thank you.

The CHAIRMAN. They represent how much stock?

Mr. MOLASKY. Thirty-five shares.

Mr. HALLEY. Now, will you state the circumstances which led you to request that you be called by this committee?

Mr. MOLASKY. There was an article in the St. Louis Sunday Post-Dispatch in reference to me and my wife owning 14,000 shares of Western Union.

On a Saturday before the Sunday Post-Dispatch came out, a Post-Dispatch reporter came into my office and told me that he had a tip that Mrs. Molasky and myself owned 14,000 shares of Western Union.

Mr. HALLEY. Fourteen thousand?

Mr. MOLASKY. Yes, sir; 14,000.

I told the Post-Dispatch reporter that it was none of his business to pry into my personal affairs.

He asked me what I paid for the stock, and I told him also it was none of his business.

He asked me also why did I buy it, and I told him it was none of his business. Then he left.

Sunday morning or Sunday noon—I don't know to be exact—after seeing the article in the St. Louis Post-Dispatch, I immediately called Aaron Benesch—I don't know whether he is the city editor or the assistant city editor of the St. Louis Star—and I told him that I would like for him to come to my home as I would like to make a statement to him, which I did.

I also told him I would like to come before this committee and tell them everything and anything that I can honestly tell you.

Mr. HALLEY. What is it you want to tell this committee?

Mr. MOLASKY. Anything you may want to ask me.

Mr. SHENKER. In order that the committee may be properly advised, Mr. Molasky became perturbed, particularly by the insinuation in that article, and I am just giving it in the form of an explanatory note, by the article which implied—it did not say it, but implied—that there may be some control or undue preferences procured by Mr. Molasky by virtue of the ownership of stock of Western Union, and it was by inference critical of Western Union, as well as of Mr. Molasky, and attempted by implication to associate the distribution of race wire service with Western Union, and that is the reason why that was resented very much by Mr. Molasky, as I understand it, and that was the reason that he inquired and requested that he be heard here.

Mr. HALLEY. Thank you, but, Mr. Molasky, what is it that you want to tell the committee?

Mr. MOLASKY. In this statement, it explains everything that I want to tell you, unless there is anything—

Mr. HALLEY. Everything you want to say is in the statement, is that right?

Mr. MOLASKY. Yes.

Mr. HALLEY. Now, it is your conclusion that you have had nothing to do with the policy of the Pioneer News Service, is that right?

Mr. MOLASKY. I never had nothing to do with the policy of the Pioneer News Co. from 1932, when I bought stock of the then called Central News Co. or Pioneer News Co., to this present date.

Mr. HALLEY. Does the remainder of the conclusion that you want this committee to hear from you consist of your statement, at the end of your written presentation, in which you say—

In purchasing Western Union stock, I was guided by the same principles as I am in the purchase of any other stock listed on the New York Stock Exchange.

Mr. MOLASKY. Absolutely.

Mr. SHENKER. That is right.

Mr. HALLEY. When did you first become interested in Pioneer News Service or any predecessor company?

Mr. MOLASKY. I believe it was, I am not sure whether it was January, February, or March of 1932.

Mr. HALLEY. Would you state the circumstances to the committee?

Mr. MOLASKY. There was a Mr. C. L. Owens asked me if I would be interested in buying a half interest of the Central News or Pioneer News Co., so I told him I would be interested, providing the price is reasonable.

He then told me that they wanted \$100,000 for a half interest of that company. I then told him I would discuss this with Mr. Annenberg, and ask him if he and his associates would be interested in buying this half interest.

Mr. HALLEY. You are referring to Moe Annenberg; is that right?

Mr. MOLASKY. Yes, sir.

To the best of my knowledge, Mr. Annenberg made a trip to St. Louis and spoke to Mr. Owens himself.

Mr. HALLEY. At that time was the wire service in operation?

Mr. MOLASKY. Yes, sir.

Mr. HALLEY. And who owned it then?

Mr. MOLASKY. At that time, to the best of my judgment, it was that Mr. Annenberg either owned 50 percent of the service or owned it all, I don't know.

Mr. HALLEY. You are now talking about Continental?

Mr. MOLASKY. It was not called Continental at that time.

Mr. HALLEY. What was it then called?

Mr. MOLASKY. It was called, if I am not mistaken, General News Bureau.

Mr. HALLEY. And the service in St. Louis was called what?

Mr. MOLASKY. Either Central News or Pioneer News.

Mr. HALLEY. And who owned the St. Louis service?

Mr. MOLASKY. Gully Owens and Paul Brown.

Mr. HALLEY. Brown?

Mr. MOLASKY. Yes, sir.

Mr. HALLEY. And Owens came to you?

Mr. MOLASKY. Yes, sir.

Mr. HALLEY. You said you would have to talk to Mr. Annenberg?

Mr. MOLASKY. That is correct.

Mr. HALLEY. At that time was Pioneer, or its predecessor, buying its news service from Mr. Annenberg?

Mr. MOLASKY. To the best of my knowledge they were.

Mr. HALLEY. And at that time had you been an associate of Mr. Annenberg?

Mr. MOLASKY. I was.

Mr. HALLEY. Will you describe the business relationships which you had with Moe Annenberg prior to your buying an interest in Pioneer?

Mr. MOLASKY. We had a magazine and newspaper distribution business in Kansas City, Mo. We also had a magazine and newspaper and racing periodical distribution in New Orleans.

Mr. HALLEY. When you say "We had," who were the parties in interest?

Mr. MOLASKY. I will explain that to you.

In Kansas City, either myself or a member of—my wife, owned 50 percent of that agency, and Mr. Annenberg owned the other 50 percent.

Mr. HALLEY. What was that agency called?

Mr. MOLASKY. Kansas City News Distributors, Inc., I believe, at that time.

Mr. HALLEY. Do you still own that service?

Mr. MOLASKY. We do, the family does, my family does.

Mr. HALLEY. What is that service, a newspaper service?

Mr. MOLASKY. Magazine and newspapers only, and distribution of racing publications.

Mr. HALLEY. Where did they get their information?

Mr. MOLASKY. What information?

Mr. HALLEY. That is printed in the papers. Do you publish papers?

Mr. MOLASKY. Not in Kansas City.

Mr. HALLEY. You simply distributed?

Mr. MOLASKY. That is correct.

Mr. HALLEY. What is the New Orleans business?

Mr. MOLASKY. In New Orleans there is a similar operation as Kansas City.

Mr. HALLEY. With Mr. Annenberg as partner at that time?

Mr. MOLASKY. He was a partner at that time.

Mr. HALLEY. Who took over Annenberg's interests?

Mr. MOLASKY. I don't remember exactly what year it was, it was between 1932 and 1936 I bought Mr. Annenberg's interest in the Kansas City News Co., and in New Orleans.

Mr. HALLEY. How long had you been in business with Annenberg prior to 1932?

Mr. MOLASKY. From, I believe it was, in 1928. From then—between 1924 and 1928.

Mr. HALLEY. Did you have any other business dealings with Annenberg, other than those that you have described?

Mr. MOLASKY. Business, no, not that I can remember.

Mr. HALLEY. In 1932, when Mr. Gully Owens came to you and asked you if you wanted to buy a part of Pioneer, who then owned Pioneer; Owens and Brown?

Mr. MOLASKY. Owens and Brown were the sole owners of that business.

Mr. HALLEY. Fifty-fifty?

Mr. MOLASKY. I assume so; yes.

Mr. HALLEY. Did either one of them want to sell out or did they simply want to bring you in as a partner?

Mr. MOLASKY. No; they wanted to bring me in as a partner and sell 50 percent.

Mr. HALLEY. And did you buy it?

Mr. MOLASKY. I did.

Mr. HALLEY. Did you speak to Annenberg before you bought it?

Mr. MOLASKY. Yes, sir.

Mr. HALLEY. What did he say and what did you say about it?

Mr. MOLASKY. He says, "If you think we can make some money out of it, go ahead and buy it."

Mr. HALLEY. Who bought it, you and Annenberg together?

Mr. MOLASKY. I bought it with Mr. Annenberg, and there was a gentleman by the name of C. S. Kruse, and Ragen, James Ragen.

Mr. HALLEY. You, Kruse, and Ragen then bought 50 percent, and Annenberg bought 50 percent of Pioneer?

Mr. MOLASKY. For \$100,000.

Mr. HALLEY. And your share of it was how much?

Mr. MOLASKY. Twelve and a half shares, for which I paid \$25,000.

Mr. HALLEY. There were a hundred shares outstanding?

Mr. MOLASKY. Yes, sir.

Mr. HALLEY. And still are?

Mr. MOLASKY. Yes, sir. And the balance of the \$75,000 was paid by Annenberg and Kruse.

Mr. HALLEY. Would you identify your other associates? Is Ragen the James Ragen who was the head of Continental Press Service, and who was murdered a few years ago?

Mr. MOLASKY. He was the man; yes. I don't know whether he had the stock under his own name or under his children's name.

Mr. HALLEY. And Kruse, what business was he in?

Mr. MOLASKY. Kruse at that time was general manager for M. L. Annenberg.

Mr. HALLEY. Now, Annenberg also sold the wire service to Pioneer, is that right?

Mr. MOLASKY. That is correct.

Mr. HALLEY. When Owens came to you, was he coming with a suggestion of his own, or was he acting in response to pressure from the Annenberg interests?

Mr. MOLASKY. He got no pressure from the Annenberg interests whatsoever.

Mr. HALLEY. Can you suggest what his purpose was in selling out a half interest to Annenberg and Annenberg's associates?

Mr. MOLASKY. I suggested it; yes.

Mr. HALLEY. You suggested it?

Mr. MOLASKY. No, I suggested to Annenberg to buy, that it was a good business, a good buy, that we could make some money out of it.

Mr. HALLEY. Well, can you suggest why Owens and Brown, who had apparently a good business, wanted to sell half of it back to Annenberg, who provided the wire service?

Mr. MOLASKY. That I cannot answer you why they sold it. But there never was no pressure brought to bear.

Mr. HALLEY. When Owens came to you, were you surprised that he offered it to you?

Mr. MOLASKY. Yes; I was.

Mr. HALLEY. And did he offer it to you alone or did he say he was offering it to you and Annenberg?

Mr. MOLASKY. He says, "I will sell it to you, Molasky," and I told him that I could not buy it until I talked to Mr. Annenberg.

Mr. HALLEY. What is the business of Pioneer?

Mr. MOLASKY. Pioneer News disseminates sporting news and racing results.

Mr. HALLEY. Its exact name is Pioneer News Service, Inc., is that right?

Mr. MOLASKY. That is correct.

Mr. HALLEY. In what State is it incorporated?

Mr. MOLASKY. I don't remember. I think it is in Delaware, I am not sure.

Mr. HALLEY. Have you got the certificates?

Mr. SHENKER. Delaware.

Mr. HALLEY. And you now own 35 shares, is that correct?

Mr. MOLASKY. That is correct.

Mr. SHENKER. He and his family.

Mr. MOLASKY. I control 35 shares.

Mr. HALLEY. Would you state the circumstances under which you acquired the remaining shares? As I understood it, you acquired 12½ shares in 1932.

Mr. MOLASKY. I don't know whether it was in the year 1940 or 1939, Mr. Annenberg gave me his stock for \$1.

Mr. HALLEY. And how much stock did he have at that time?

Mr. MOLASKY. Twenty-two and one-half shares.

Mr. HALLEY. And you paid him no other consideration at any time?

Mr. MOLASKY. Not for nothing outside of the \$1.

Mr. HALLEY. Was the gift tax paid on that transaction?

Mr. MOLASKY. By me?

Mr. HALLEY. By anyone, to your knowledge?

Mr. MOLASKY. That, I don't know.

Mr. HALLEY. Do you know why none was paid?

Mr. MOLASKY. What was the question?

Mr. HALLEY. Do you know why no gift tax was paid on that transaction?

Mr. MOLASKY. I don't know.

Mr. HALLEY. What was the discussion leading to that sale? What were the circumstances?

Mr. MOLASKY. The only thing I know of is I got, I received, a letter which I believe you can get a copy of it, the original letter, that he is selling the stock to me for \$1, and that was the only discussion that I had.

Mr. HALLEY. You mean there was no discussion; you just received the letter?

Mr. MOLASKY. That is correct.

Mr. HALLEY. And you did not question that?

Mr. MOLASKY. No, sir.

Mr. HALLEY. Do you have a copy of that letter in your files?

Mr. MOLASKY. I have not got a copy, but I can tell you where you can get a copy.

Mr. HALLEY. Will you do so?

Mr. MOLASKY. Yes, sir; if you will get in touch with Joe First at the Philadelphia Inquirer in Philadelphia, Pa., I am sure he has a copy of that letter.

Mr. HALLEY. Do you know how he got a copy of it?

Mr. MOLASKY. Well, he was connected with M. L. Annenberg, and he now is, I believe, their attorney for Walter Annenberg, so I guess it was in Mr. Annenberg's files, and that is how he received a copy of it.

Mr. HALLEY. What is the business of Pioneer? You say it disseminates sports information?

Mr. MOLASKY. Sporting news and racing information.

Mr. HALLEY. Does it publish any newspapers or periodicals?

Mr. MOLASKY. Does it publish any newspapers?

Mr. HALLEY. Or periodicals?

Mr. MOLASKY. The Pioneer does not publish any newspapers or periodicals, but I publish a scratch sheet for Pioneer News Co.

Mr. HALLEY. You publish it yourself?

Mr. MOLASKY. That is correct.

Mr. HALLEY. When you say you publish it for Pioneer News Co., will you state the business arrangement which exists?

Mr. MOLASKY. I pay the Pioneer News Co. \$75 a week for the entries and scratches and morning line.

Mr. HALLEY. Do you sell that scratch sheet on the streets?

Mr. MOLASKY. I put it on all newsstands and every stand or newsboy or whoever wants to buy it from me.

Mr. HALLEY. What do you charge for it?

Mr. MOLASKY. They pay 20 or 21 cents; it may be 22.

Mr. HALLEY. What does it retail for?

Mr. MOLASKY. Twenty-five cents.

The CHAIRMAN. Let us see that scratch sheet.

Mr. MOLASKY. I also give you Chicago American, Chicago Herald-American, dated June 9, which practically has the same thing that I have.

Mr. HALLEY. Where does Pioneer News get its information?

Mr. MOLASKY. Pioneer News gets its information from the Continental Press.

Mr. HALLEY. In what form does that information come?

Mr. MOLASKY. To the best of my knowledge it comes through Western Union tickers or Western Union wire.

Mr. HALLEY. Does it go right to the offices of Pioneer News?

Mr. MOLASKY. It goes directly to the office of the Pioneer News Co.

Mr. HALLEY. Where is that office located?

Mr. MOLASKY. 1018 Fullerton Building, St. Louis, Mo.

Mr. HALLEY. You have in that building then a ticker, a news ticker?

Mr. MOLASKY. Yes.

Mr. HALLEY. On a leased Western Union wire, is that right?

Mr. MOLASKY. That is correct.

Mr. HALLEY. And for that service the Continental News is paid, is that right?

Mr. MOLASKY. That is correct.

Mr. HALLEY. Are they paid on a monthly basis, weekly, or—

Mr. MOLASKY. To the best of my knowledge it is paid weekly.

Mr. HALLEY. What is the rate at the present time?

Mr. MOLASKY. \$540 per week.

Mr. HALLEY. What information comes into that ticker?

Mr. MOLASKY. Descriptions of various races in the United States.

Mr. HALLEY. Does the news purport to come at the same time that the race is being run?

Mr. MOLASKY. They will also give us news of great importance, they will give you flashes. At times they give you pictures of baseball teams, who is going to pitch; sometimes they give us scores at various ball games.

Mr. HALLEY. Turning back to the races for the moment, is the news supposed to come simultaneously with the running of the race?

Mr. MOLASKY. It does come simultaneously with the race.

Mr. HALLEY. The idea is to have no delay, is that correct?

Mr. MOLASKY. That, I don't know, but it comes, it comes as the races are running.

Mr. HALLEY. Who negotiated the price of \$540 a week with Continental News?

Mr. MOLASKY. That price was established by Clarence Owens.

Mr. HALLEY. How was that established, and when?

Mr. MOLASKY. Somewhere between 1933 or 1935, I am not quite sure.

Mr. HALLEY. It has not been changed since 1933 or 1935?

Mr. MOLASKY. I don't think so.

Mr. HALLEY. Is there any written contract?

Mr. MOLASKY. There was no written contract.

Mr. HALLEY. What was the price before the present price?

Mr. MOLASKY. To the best of my knowledge it was that the Pioneer News or Central News paid around \$1,000 or \$1,200 a week for it.

Mr. HALLEY. Prior to 1933 or 1935?

Mr. MOLASKY. Prior to that time; yes.

Mr. HALLEY. What did it pay prior to your buying an interest in it?

Mr. MOLASKY. That I don't know.

Mr. HALLEY. Would it be around the \$1,200 figure?

Mr. MOLASKY. I can't answer because I don't know.

Mr. HALLEY. What did it pay at the time you bought the interest?

Mr. MOLASKY. To the best of my knowledge that they were paying around \$750 to \$1,000 a week.

Mr. HALLEY. After you bought your interest did the price go up?

Mr. MOLASKY. I don't know that is what they were paying, because I don't know what they were paying before I got into the picture.

Mr. HALLEY. Well, you mentioned a \$1,200 a week price.

Mr. MOLASKY. I say it might have been \$1,000 or \$1,200, something in that figure, I don't know.

Mr. HALLEY. And that was the price that was being paid at the time you purchased your stock?

Mr. MOLASKY. To the best of my knowledge, I think it was in that figure.

Mr. HALLEY. Then there was a revision downward to \$540 a week?

Mr. MOLASKY. That is correct.

Mr. HALLEY. Do you care to comment on whether there was any connection between the purchase of stock by you and Mr. Annenberg and the reduction in price?

Mr. MOLASKY. It had nothing to do with it whatsoever.

Mr. HALLEY. Would you state what did have to do with it?

Mr. MOLASKY. Well, to the best of my knowledge it was that they were not doing any business, and Mr. Owens went in to see Ragen, and asked for a cut in his service, and I believe Mr. Ragen cut his service.

Mr. HALEY. When you say "cut the service," what do you mean by that?

Mr. MOLASKY. He cut the bill down. He cut the amount he was paying to that amount.

Mr. HALLEY. He continued to purchase the same information, though?

Mr. MOLASKY. That is correct.

Mr. HALLEY. Did you go with Mr. Owens when he went to see Mr. Reagan?

Mr. MOLASKY. I don't remember.

Mr. HALLEY. Is it possible that you did?

Mr. MOLASKY. It is possible that I did.

Mr. HALLEY. What does Pioneer do with the news that it receives on this Western Union ticker?

Mr. MOLASKY. Pioneer News, to the best of my knowledge, sells to their subscribers, whoever wants to buy it.

Mr. HALLEY. How does it deliver the news to its subscribers?

Mr. MOLASKY. I don't have anything to do with that department.

Mr. HALLEY. Do you have the knowledge, though?

Mr. MOLASKY. I don't have no knowledge of how it is being handled. My only interest, and the only work that I have did there has been countersigning checks.

Mr. HALLEY. Were you ever in the office of the Pioneer News?

Mr. MOLASKY. Was I what?

Mr. HALLEY. Were you ever in the office?

Mr. MOLASKY. Yes, sir.

Mr. HALLEY. When was the last time you were in the office?

Mr. MOLASKY. I was in the office last Friday, Friday or, perhaps, Saturday.

Mr. HALLEY. When were you there before that?

Mr. MOLASKY. Might have been there two or three times during the week.

Mr. HALLEY. Are you there during the week?

Mr. MOLASKY. I will come up there an average 2 or 3 days a week.

Mr. HALLEY. And you look around and see the nature of the operation, in general, do you not?

Mr. MOLASKY. Yes, sir.

Mr. HALLEY. Now, you told me in my office this morning that the news was distributed on telephone wires and telegraph wires, is that right?

Mr. MOLASKY. That is correct.

Mr. HALLEY. Why do you say now under oath that you have no knowledge of how the news was distributed?

Mr. MOLASKY. I mean I have nothing to do with the selling of it.

Mr. HALLEY. That is not the question. The question is how is the news which Pioneer receives, as you have testified, from Western Union on the ticker, distributed to Pioneer's customers?

Mr. MOLASKY. By telephones.

Mr. SHENKER. You mean the means that you send it on. How is it sent out?

Mr. MOLASKY. It is sent out by telephones.

Mr. HALLEY. Telephones?

Mr. MOLASKY. Yes, sir.

Mr. HALLEY. Telegraph, too?

Mr. MOLASKY. Telegraph.

Mr. HALLEY. Do some of Pioneer's customers rent telegraph wires from Western Union?

Mr. MOLASKY. To the best of my knowledge they do.

Mr. HALLEY. And some rent telephone wires, is that right?

Mr. MOLASKY. To the best of my knowledge.

Mr. HALLEY. Does Pioneer itself rent any wires?

Mr. MOLASKY. They rent the ticker that they have of Western Union, is rented from Western Union.

Mr. HALLEY. That is for its incoming service. But how does it get the wires for its outgoing service to its customers?

Mr. MOLASKY. That, Bill Brown handles that. I have never made no arrangement with no Western Union or no telephone company or nobody else.

Mr. HALLEY. But you do know that the information is distributed on the telephone, by telegraph, do you not?

Mr. MOLASKY. Telephone and telegraph, that is true.

Mr. HALLEY. And you have known it right along?

Mr. MOLASKY. That it comes in that way and give it out.

Mr. HALLEY. Now, who are the customers who purchase that information?

Mr. MOLASKY. Bill Brown handles all of that. I have never spoke to a customer, I have never made a price from—

Mr. SHENKER. Just a minute—go ahead and finish your statement. I would like to—go ahead and finish your statement.

Mr. MOLASKY. I have never made a price or solicited any one customer to do business with Pioneer News Co. from 1932 to this present date.

Mr. HALLEY. Have you ever spoken to any of these customers, whether to make prices or for any other reasons?

Mr. MOLASKY. I have never spoken to any of them with reference to prices.

Mr. HALLEY. Have you ever spoken to them in reference to anything? Have you ever met any of the customers of Pioneer News Service?

Mr. MOLASKY. Yes, I have.

Mr. HALLEY. Would you state the names of the customers you have met?

Mr. MOLASKY. I have met Jimmy Carroll, and I have met a boy by the name of Leach Cross.

Mr. HALLEY. How do you spell that name?

Mr. MOLASKY. L-e-a-c-h C-r-o-s-s.

Mr. HALLEY. Any others?

Mr. MOLASKY. That is the best of my knowledge of talking to any of them; that is the only two that I can remember talking to.

Mr. HALLEY. Do you have a list of the customers of Pioneer News Service?

Mr. MOLASKY. I understand several weeks ago, I was attending a convention of magazine and newspaper distributors at the Shoreham Hotel at Washington; at that time I understand the McFarland committee, was it, had wired Bill Brown for the names and addresses of all of his customers, and I understand that he had sent it to the McFarland committee.

Mr. HALLEY. Do the names of the customers appear in the ledger which you have brought here?

Mr. MOLASKY. I don't know; I don't know that.

Mr. HALLEY. Would you look at it?

Mr. MOLASKY. I don't know the first thing about the books.

Mr. HALLEY. Well, perhaps your lawyer would look at it and see if the ledger carries the names of the customers.

Mr. SHENKER. I might add for the record that I looked at it after discussing this matter with Mr. Halley, and have not been able to find them. Apparently that is not the book that contains all of that, but that is the complete ledger.

Mr. HALLEY. Well, it could not be a complete ledger without the names of the customers.

Mr. SHENKER. Well, I am not a bookkeeper, so I do not know, but it does appear to contain all of the income and expenditures and the general financial condition of the company, and telephone cost and what not, but I do not find the names of the customers.

I do know though of my own knowledge that the information was sent in to the McFarland committee.

Mr. HALLEY. Mr. Molasky, do you know the names of any other customers?

Mr. MOLASKY. I don't think I do.

Mr. HALLEY. On what basis is the information sold by Pioneer to its customers, on the basis of a weekly rate?

Mr. MOLASKY. I don't handle that. William Brown handles that business. His father handled it; Mr. Owens—

Mr. SHENKER. That is not the question though, Mr. Molasky. He asked you a specific question, on what basis is it, a weekly, monthly, daily, yearly, of what?

Mr. MOLASKY. To the best of my knowledge, some of them by the week, and some are by the month.

Mr. HALLEY. You buy it yourself for the purpose of this sheet you publish, is that right, this scratch sheet?

Mr. MOLASKY. That is correct.

Mr. HALLEY. And you pay \$75 per week?

Mr. MOLASKY. Per week, every week, and I mail a check each week.

Mr. HALLEY. Do any pay more?

Mr. MOLASKY. To the best of my knowledge, some of their subscribers pay anywhere from \$25 a week up to \$300 a week.

Mr. HALLEY. Who pays \$300 a week, do you know?

Mr. MOLASKY. I couldn't tell you unless you looked at the books.

Mr. HALLEY. Does anybody pay over \$300 a week, do you know, one way or the other?

Mr. MOLASKY. It might run \$350.

Mr. HALLEY. Now, in what business are the subscribers to the Pioneer News Service?

Mr. MOLASKY. To the best of my knowledge they are subscribers—I don't know what business they are in. I couldn't honestly prove what business they are in.

Mr. HALLEY. Aside from proving, what is the best of your information on the subject?

Mr. MOLASKY. I couldn't—I can't answer because I don't know what they are.

Mr. HALLEY. Well, do you not know, to the best of your information, that they are bookmakers in the business of taking bets on horse races?

Mr. MOLASKY. I assume some of them are.

Mr. HALLEY. Well, when you assume some of them are, do you not know, as well as anybody could know, without being in their premises, that they are bookmakers?

Mr. MOLASKY. No, sir, I would not know. I had never been in their premises, and I have never talked to them.

Mr. HALLEY. Do you know who publishes newspapers, scratch sheets, magazines, or any other kind of publications dealing with racing in St. Louis?

Mr. MOLASKY. The St. Louis Globe Democrat.

Mr. HALLEY. Anyone else?

Mr. MOLASKY. The St. Louis Star, that is all.

Mr. HALLEY. Do they subscribe to the Pioneer News Service?

Mr. MOLASKY. At this time they do not. To the best of my recollection they do not at this time.

Mr. HALLEY. Now, aside from people who publish racing information, can you think of any other reason why anybody would be willing to pay as much as \$300 a week for racing information over a telephone and telegraph wire, other than to run a book and take bets?

Mr. MOLASKY. I can't answer that; I don't know.

Mr. HALLEY. Can you think of any other reason except to take bets that anybody would be purchasing—

Mr. MOLASKY. I can't answer that question; I don't know.

Mr. HALLEY. Well, you can answer whether you can think of any other reason that anybody would want to buy that information from Pioneer News.

Mr. MOLASKY. That to the best of my knowledge is that they just subscribe for it. What their purpose is I can't honestly answer it.

Mr. HALLEY. Well, you have been in business in St. Louis since 1908, and you have been publishing various publications about sporting events; is that right?

Mr. MOLASKY. Not from 1908.

Mr. HALLEY. Since when?

Mr. MOLASKY. I have been publishing from about 1928 or 1930.

Mr. HALLEY. And you have been an owner of a 35-percent interest in Pioneer News since 1940.

Mr. MOLASKY. No—that is correct.

Mr. HALLEY. And an owner of 12½ percent since 1932.

Mr. MOLASKY. That is correct.

Mr. HALLEY. And you publish a scratch sheet?

Mr. MOLASKY. That is correct.

Mr. HALLEY. And you are familiar with the general meaning of a scratch sheet and how people bet on horses, I presume?

Mr. MOLASKY. No, I don't know how they bet on horses.

Mr. HALLEY. Do you know what is on your scratch sheet that you publish and charge the public 24 cents for?

Mr. MOLASKY. Yes; we get out the odds on the morning line scratches and odds.

Mr. HALLEY. And that has to do with betting on races, does it not?

Mr. MOLASKY. I assume it does.

Mr. HALLEY. You publish it, do you not?

Mr. MOLASKY. It is the morning line; I publish it and I sell it to anybody who wants to buy it.

Mr. HALLEY. What is it read for? What would anybody in his right senses read it for?

Mr. MOLASKY. I assume they buy it for all purposes; some of them may buy it to see what the odds are and some of them might make wagers on it.

Mr. HALLEY. Can you see any reason why anybody would buy the Pioneer News Service except in connection with making wagers on horse racing?

Mr. MOLASKY. No; I can't.

Mr. HALLEY. Just name one other reason that you can think of.

Mr. MOLASKY. I can't think of no other reason.

Mr. HALLEY. Do you own any race horses?

Mr. MOLASKY. I have never owned a race horse in my life.

Mr. HALLEY. Do you breed any?

Mr. MOLASKY. Sir?

Mr. HALLEY. Do you breed horses, race horses?

Mr. MOLASKY. No, sir; I can't even read a racing form.

Mr. SHENKER. You mean you cannot interpret it.

Mr. MOLASKY. I mean I cannot interpret it.

Mr. HALLEY. We are agreed that the business of Pioneer News, to the best of your knowledge, is to buy information primarily about the running of horse races, and the odds on horse races, from Continental News, and to distribute that by wire, telephone and telegraph, to persons who pay a weekly rate for that service, is that right?

Mr. MOLASKY. That is correct.

Mr. HALLEY. And to the best of your knowledge you can't think of any reason why anybody would buy that service except for the purpose of betting on horse races?

Mr. MOLASKY. Well, I don't say that they buy it for betting on horses.

Mr. HALLEY. But you cannot think of any other reason?

Mr. MOLASKY. I say I can't think of any other reason. I don't say that is what they buy it for, I don't know.

Mr. HALLEY. Would you say, to the best of your knowledge, that at least some of your customers do take bets on horse races?

Mr. MOLASKY. I assume that some of them use it for bookmaking.

Mr. HALLEY. Then, at least some of the customers of Pioneer News are in the bookmaking business?

Mr. MOLASKY. I assume so.

Mr. HALLEY. And those customers purchase the news that comes over the Continental wire, from Pioneer at the weekly rate, is that correct?

Mr. MOLASKY. That is correct.

Mr. HALLEY. And they get that news, in turn, over telephone or telegraph wires from Pioneer?

Mr. MOLASKY. That is corect.

Mr. HALLEY. What is your function at Pioneer?

Mr. MOLASKY. Would you please repeat that question?

Mr. HALLEY. What are your duties at Pioneer? Are you an officer of Pioneer?

Mr. MOLASKY. My duties in Pioneer News Co. has been only countersigning checks. I have never had nothing to do with the policy of the business, the operation of the business.

Mr. HALLEY. You are vice president, are you not?

Mr. MOLASKY. Yes, sir.

Mr. HALLEY. How long have you been vice president?

Mr. MOLASKY. I believe since Paul Brown died.

Mr. HALLEY. When was that?

Mr. MOLASKY. He died about 2 or 3 years ago.

Mr. HALLEY. Did you have any office in the company before Mr. Brown died?

Mr. MOLASKY. I believe I was secretary or treasurer.

Mr. HALLEY. Did you draw a salary from Pioneer in 1949?

Mr. MOLASKY. I did.

Mr. HALLEY. The corporation income tax return shows that you drew \$26,600, is that correct, in salaries?

Mr. MOLASKY. If my tax report reads that, that is what I received.

Mr. HALLEY. What did you do for that salary?

Mr. MOLASKY. All I did was countersign checks.

Mr. HALLEY. Have you ever had any other duties for Pioneer?

Mr. MOLASKY. I have never did anything else but countersigned checks.

Mr. HALLEY. Did Pioneer pay a dividend in 1949?

Mr. MOLASKY. To the best of my recollection it paid a dividend. I believe the minute book speaks for itself.

Mr. HALLEY. Will you answer the question?

Mr. MOLASKY. I believe they did in 1949.

Mr. HALLEY. How much of a dividend was paid in 1949?

Mr. MOLASKY. I don't remember. Mr. Shenker told you this morning, after looking at the minute book, I believe he said it was something like \$400 a share, was it?

Mr. HALLEY. \$400 a share?

Mr. MOLASKY. Yes.

Mr. HALLEY. Or a total of \$40,000, is that right?

Mr. SHENKER. Yes.

Mr. MOLASKY. \$40,000, yes.

Mr. HALLEY. Perhaps we had better confirm that. Would you look at the minute book and testify?

Mr. MOLASKY. That is the stock book.

Mr. HALLEY. Do we have the minute book here? I would like to put that in evidence.

Mr. SHENKER. I just noticed we did not have that.

Mr. HALLEY. While we are looking for that figure, are you a director in Pioneer News Co.?

Mr. MOLASKY. Vice president, and I guess I am a director, too, I don't know.

Mr. HALLEY. While the figure is being looked for, in 1948, according to the corporation income tax return, you drew a salary of \$10,375, and that your capacity then was treasurer, is that your recollection?

Mr. MOLASKY. I believe that is the truth.

Mr. HALLEY. How is the salary fixed each year? You apparently perform the same duties each year of simply signing checks.

Mr. MOLASKY. When Mr. Owens died, Mr. Brown suggested that I take a salary of the amount he is getting, and he said, "Molasky, you are going to get so much salary." He was the one who suggested for me to get that salary after Owens died.

Mr. HALLEY. How are the salaries fixed each year? They seem to vary. For instance, William Brown received \$1,700 in 1948, and \$22,800 in 1949. Those salaries were fixed how?

Mr. MOLASKY. Those salaries were made by Paul Brown when he was alive.

Mr. HALLEY. Well, Paul Brown, deceased, received \$6,600 in 1948, and \$14,000 in 1949. Is there any way—you as a director must have voted these salaries?

Mr. MOLASKY. That is right; I did.

Mr. HALLEY. On what basis were they voted, and when? Do the minutes show?

Mr. MOLASKY. I believe the minute book speaks for itself.

Mr. HALLEY. What does the minute book show on the salaries of 1949 as to the date when they were voted?

Mr. MOLASKY. I don't know.

Senator HUNT. Is Paul Brown the same Paul Brown—

Mr. MOLASKY. No, sir; Paul Brown is dead. Paul Brown is the father of William Brown, who now controls 65 shares of Pioneer stock.

Mr. SHENKER. May the record show that the minutes show that on the 19th day of February 1949 they were voting and determining the salaries beginning with February 28, 1949.

Mr. HALLEY. On what date, I am sorry?

Mr. SHENKER. On the 19th of February.

Mr. HALLEY. 1949?

Mr. SHENKER. That is correct; that the salaries on the new schedule to begin as of February 28, 1949, that is when they were to begin.

Mr. HALLEY. Were you present at such a meeting on February 19, 1949, at which the salaries were voted?

Mr. MOLASKY. I was.

Mr. HALLEY. Where was that meeting held?

Mr. MOLASKY. I don't remember. Do the minutes show it? The minutes show just where it was at.

Mr. HALLEY. Will you state where the minutes show it was at?

Mr. SHENKER. At the company office, 1018 Fullerton Building.

Mr. HALLEY. In St. Louis?

Mr. MOLASKY. Yes, sir.

Mr. HALLEY. Are you quite certain that you were in St. Louis on that day and that such a meeting took place?

Mr. MOLASKY. Yes, sir.

Mr. HALLEY. On what basis was the salary fixed of \$26,600?

Mr. SHENKER. Mr. Halley, as I suggest, as I told you before, those were made by Mr. Paul Brown. He was—

Mr. HALLEY. What is that?

Mr. MOLASKY. He was the one said, "This is the salary you are going to get."

Mr. HALLEY. Was it a weekly rate?

Mr. MOLASKY. It was a weekly salary.

Mr. HALLEY. Well, Mr. Brown was dead in 1949; was he not?

Mr. MOLASKY. Well, this was done before he died; the weekly salary was made before he died.

Mr. HALLEY. In 1949?

What is your salary for 1950?

Mr. MOLASKY. Right now it is \$250 a week.

Mr. HALLEY. When was it fixed at that rate?

Mr. MOLASKY. I believe as of—I believe in the last 3 or 4 weeks.

Mr. HALLEY. Was there a directors' meeting at that time?

Mr. MOLASKY. There was.

Mr. HALLEY. Who suggested that salary?

Mr. MOLASKY. Bill Brown.

Mr. HALLEY. How was it fixed? Did you have any discussion about it?

Mr. MOLASKY. Well, the business, he says, has dropped to nothing, and he says that we had better take that out. We are only going to take \$250 a week.

Mr. HALLEY. Now, getting back to 1949, at what rate was that \$26,000 paid? Was that at so much a week or was it—

Mr. MOLASKY. It was a weekly check.

Mr. HALLEY. Of how much?

Mr. MOLASKY. To the best of my knowledge it was either \$500 or \$550, I don't know.

Mr. HALLEY. Did you get such a check all through 1949?

Mr. MOLASKY. I have got that particular—I have got that check and have reported that in my income tax.

Mr. HALLEY. Did you get a check each week for \$500?

Mr. MOLASKY. I received a check each week.

Mr. HALLEY. And you deposited it in your checking account each week?

Mr. MOLASKY. I deposited it in my bank account, and in my own personal income tax I show every penny I received from the Pioneer News Co. from the day I first was in office.

Mr. HALLEY. I want to get it perfectly straight. On February 19 you were voted a salary of \$26,600, payable weekly; is that correct?

Mr. MOLASKY. That is correct.

Mr. HALLEY. And thereafter you received a check for five-hundred-and-some-odd dollars?

Mr. MOLASKY. Less 20 percent.

Mr. SHENKER. In order to be correct, I do not think he meant to say that it was voting \$26,500 to be paid weekly, but on the contrary it showed that the weekly salary will be so much.

Mr. HALLEY. Will you read what it shows?

Mr. SHENKER. According to the records it shows:

*Resolved*, That beginning February 28, 1949, and continuing until otherwise voted upon, the salary of William Molasky shall be \$550 per week.

Mr. HALLEY. Now, Mr. Molasky, was the basis of your salary the income of the firm or the work you did?

Mr. MOLASKY. It was the income of the firm.

Mr. HALLEY. In other words, when the firm made money, salaries went up?

Mr. MOLASKY. That is right.

Mr. HALLEY. You did no more work than in the days when you earned \$3,000 a year; is that correct?

Mr. MOLASKY. That is correct.

Mr. HALLEY. In addition to the \$40,000 dividend, of which you received, I presume, 35 percent; is that correct?

Mr. MOLASKY. No; there were 35 shares. I believe the family received \$14,000.

Mr. HALLEY. In addition to that, did Pioneer ever pay any other dividends?

Mr. MOLASKY. To the best of my recollection, I don't think Pioneer paid any dividend for the past 10 years.

Mr. HALLEY. But you have received a salary from them since 1932?

Mr. MOLASKY. Yes, sir.

Mr. HALLEY. How much?

Mr. MOLASKY. To the best of my recollection, from 1932 to 1940, inclusive, I received a salary, to the best of my knowledge, of around \$75 a week.

Mr. HALLEY. And then after 1940?

Mr. MOLASKY. From 1940 to 1942, to the best of my knowledge, I didn't get anything; and I believe to the best of my knowledge in 1943, 1944, and perhaps 1945, and part of 1946, I still got \$75 a week.

The CHAIRMAN. Mr. Halley, Senator Hunt is going to have to return to his office for an engagement he has there, and perhaps he would like to ask some questions of Mr. Molasky before leaving.

Senator HUNT. No; I do not believe I have any.

Mr. HALLEY. You own some stock in Western Union Co.; is that correct?

Mr. MOLASKY. That is correct.

Mr. HALLEY. You and your family?

Mr. MOLASKY. That is correct.

Mr. HALLEY. Would you state the holdings you have in Western Union?

Mr. MOLASKY. I have 7,000 shares of Western Union stock.

Mr. HALLEY. And your wife?

Mr. MOLASKY. Seven thousand shares of Western Union.

Mr. HALLEY. Any other members of your family own Western Union stock?

Mr. MOLASKY. Yes, sir; both of my sons own 2,000 shares apiece.

Mr. HALLEY. Do any other members of your family own stock?

Mr. MOLASKY. My daughter-in-law owns 50 shares.

Mr. HALLEY. Is all that stock held in your own names, each one in his own name?

Mr. MOLASKY. 7,000 shares is under my own name; 7,000 shares are under my wife's name, and 2,000 shares are held under the names of my sons, William Molasky, as trustee.

Mr. HALLEY. Do you directly or indirectly own any other stock in Western Union, held in the names of brokers or in any other name?

Mr. MOLASKY. Not one share.

Mr. HALLEY. Do any of the members of your family, to your best knowledge, own any held in the names of brokers?

Mr. MOLASKY. Not one share.

Mr. HALLEY. Or in any other name?

Mr. MOLASKY. Or any other names, Mr. Halley.

Mr. HALLEY. Would you state when you first purchased the Western Union stock?

Mr. MOLASKY. To the best of my knowledge, I believe that I. M. Simon & Co., those statements speak for themselves there. You can get that right there. That is a true picture of when I bought my stock.

Mr. HALLEY. Well, you purchased some Western Union stock prior to 1938; is that correct?

Mr. MOLASKY. Doesn't it say 1937, too, Mr. Halley?

Mr. HALLEY. Yes; I say prior to 1938 you bought 500 shares in 1937.

Mr. MOLASKY. Whatever that statement reads is correct.

Mr. HALLEY. Did you have any trading account at all prior to 1937?

Mr. MOLASKY. To the best of my knowledge, I don't remember. I may have been in the market prior to that, too.

Mr. HALLEY. Now, then, did you continue to hold that stock after 1938, the Western Union stock?

Mr. MOLASKY. To the best of my knowledge, I don't know how long I held it, but it plainly tells you there when I sold it. So, whenever I sold it, it is just how long I held it.

Mr. HALLEY. You sold 250 shares of Western Union in 1938; did you not?

Mr. MOLASKY. If that is what it says, that is what I did.

Mr. HALLEY. And then in 1938 you acquired a large amount of Paramount stock?

Mr. MOLASKY. That is correct.

Mr. HALLEY. And some Allis-Chalmers, is that correct?

Mr. MOLASKY. That is correct.

Mr. HALLEY. Would you state why you bought the Western Union stock?

Mr. MOLASKY. I mentioned that.

Mr. SHENKER. Answer it; go ahead.

Mr. MOLASKY. I mention that in my statement.

Mr. SHENKER. Answer it, though.

Mr. MOLASKY. The reason I bought Western Union stock, I have always bought various stocks. I bought it for speculation purposes, and I happened to be in New York City, after receiving a letter from Mr. Egan, the president of Western Union, welcoming me as a stockholder.

I dropped up there with both of my boys, and I said, "Let's go up to the Western Union and meet the president of Western Union."

So, I went up there and met Mr. Egan, and Mr. Egan then had taken me for about 3 or 4 hours, and showed me from the top floor, I believe it is, on 60 Hudson Street—I don't remember—showed me all the modern equipment that they were putting in, whereby they will save thousands and hundreds of thousands of dollars a year in labor, and will get their messages out much faster; and, when he showed me all that new and modern equipment that they were having, I then started to buy more Western Union stock.

Mr. HALLEY. Now, over the year 1941 you sold most of your Paramount stock; did you not?

Mr. MOLASKY. I believe I sold it—was it in 1941 it was sold?

Mr. HALLEY. The record seems to show that.

Mr. MOLASKY. Well, if it was sold in 1941, my wife had power of attorney, and she had sold it for me.

Mr. HALLEY. But you continued to hold and buy more Western Union; is that right?

Mr. MOLASKY. Not during 1941.

Mr. HALLEY. After 1941?

Mr. MOLASKY. I don't know about 1942 either. I bought it in 1942—I don't remember.

Mr. HALLEY. Let us place it directly in 1946. You began in July of 1946 to acquire large amounts.

Mr. MOLASKY. From then on to the last sale, I bought Western Union.

Mr. HALLEY. Do you own any other stock other than Western Union today?

Mr. MOLASKY. I do not.

Mr. HALLEY. Not one share of any other stock?

Mr. MOLASKY. Not one share of any other stock.

Mr. HALLEY. Except Pioneer?

Mr. MOLASKY. Pioneer Stock; yes.

Mr. HALLEY. And your only other business interest is your publishing company and news-circulating company; is that correct?

Mr. MOLASKY. That is correct.

Mr. HALLEY. You have no other business whatsoever?

Mr. MOLASKY. Yes. I publish, I mentioned in the statement, I publish scratch sheets and entries.

Mr. HALLEY. And you distribute news in St. Louis, Kansas City, and in New Orleans; is that right?

Mr. MOLASKY. In New Orleans, and I publish what you call a rundown, that is entries, you see, and we sell that.

Mr. HALLEY. Have you any other businesses?

Mr. MOLASKY. No, sir.

Mr. HALLEY. Or your wife?

Mr. MOLASKY. No, sir.

Mr. HALLEY. Do your sons have any other business?

Mr. MOLASKY. No, sir.

Mr. HALLEY. Are they in your business with you?

Mr. MOLASKY. Pierce Building News Co., Kansas City News Co., and the Louisiana News Co., is a partnership owned and controlled by Mrs. Molasky, William Molasky, Jerome and Allen Molasky.

Mr. HALLEY. Now, Mr. Molasky, at the end of your statement, you recall I read back to you a statement you made that in purchasing Western Union stock you say:

I was guided by the same principles as I am in the purchase of any other stock listed on the New York Stock Exchange.

But you do not have any other stock; is that correct?

Mr. MOLASKY. I was referring to the stocks I previously bought.

Mr. HALLEY. And you have not had any other stock of any nature?

Mr. MOLASKY. No, sir.

Mr. HALLEY. Since 1941, when you sold that Paramount stock?

Mr. MOLASKY. I still had Western Union stock after 1941.

Mr. HALLEY. That is Western Union. Except for Western Union did you have any other stock?

Mr. MOLASKY. I don't know. Didn't you have some Allis-Chalmers? I don't know, I don't know what other stocks I had myself.

Mr. HALLEY. Will you look at the records yourself?

Mr. MOLASKY. This is Dorothy Molasky, Mr. Halley—that is correct.

Mr. HALLEY. Then, since 1941—

Mr. MOLASKY. No; it tells you here that I sold stock in 1943, I sold Western Union stock in 1943, Mr. Halley.

Mr. HALLEY. Yes. But since 1941, you have had no stock other than Western Union, no other stock than Western Union.

Mr. MOLASKY. According to this statement, I don't think I had any other stock.

The CHAIRMAN. Mr. Halley, may I ask one or two questions?

Did I understand that in this stock matter you thought this was a good investment? It has been a long time since Western Union paid a dividend, has it not?

Mr. MOLASKY. Western Union paid a dividend, to the best of my recollection, Senator—do you remember the time we had a telephone strike here?

The CHAIRMAN. I remember it, but Western Union—

Mr. MOLASKY. That was the year they paid a dollar on a share.

The CHAIRMAN. Western Union has been consistently losing money over a period of quite a number of years.

Mr. MOLASKY. That is correct.

The CHAIRMAN. And you knew that when you bought the stock.

Mr. MOLASKY. I didn't know anything about what they were losing. I just bought the stock, just for buying it.

The CHAIRMAN. I know, but this 7,000 shares at a price of \$26 a share is \$180,000.

Mr. MOLASKY. That is correct.

The CHAIRMAN. And is not that a pretty big part of your capital?

Mr. MOLASKY. That is.

The CHAIRMAN. It looks like you would put your money into something that would pay you some dividends.

Mr. MOLASKY. Maybe I was not so smart about buying Western Union. It went all the way down to \$14, Senator, and I still held it.

The CHAIRMAN. Yes. I expect you are pretty smart, Mr. Molasky. It is strange though that you put up so much money on a stock that had been consistently losing money and had not had a regular dividend, regular payment of dividend, year in and year out, in a long, long time.

Mr. Molasky, it has been brought out that you have been indicted or convicted at some time?

Mr. MOLASKY. That is correct.

The CHAIRMAN. What was it?

Mr. MOLASKY. I was convicted of evading my income tax.

The CHAIRMAN. What year was that?

Mr. MOLASKY. In 1941.

The CHAIRMAN. Were you fined or did you serve any time?

Mr. MOLASKY. Yes, sir; I did. I was fined \$10,000, and given 18 months.

The CHAIRMAN. Now, let me see if I understand something. Pioneer News gets its service from Continental, but you get it on a Western Union ticker; is that correct?

Mr. MOLASKY. Pioneer gets it on a Western Union ticker.

The CHAIRMAN. Yes. But where does Continental come in?

Mr. MOLASKY. Continental sends it to Pioneer.

The CHAIRMAN. Over the Western Union ticker?

Mr. MOLASKY. Yes.

The CHAIRMAN. How is that arrangement worked out? Does Pioneer pay Western Union, or does Pioneer pay Continental?

Mr. MOLASKY. Pioneer pays Continental.

The CHAIRMAN. And Continental then pays Western Union?

Mr. MOLASKY. That I don't know.

The CHAIRMAN. Have you ever talked with the Western Union people about getting Pioneer a cheaper rate for its news service or giving Continental a cheaper rate for its service?

Mr. MOLASKY. Senator, I have never said one word to any member of, officers of Western Union, at any time pertaining to the Pioneer, and I doubt that they even knew that I was a stockholder in Pioneer.

The CHAIRMAN. In the Pioneer office in St. Louis, how many telephones do you have going out—how many lines do you have, to disseminate information that the Pioneer News Service gets?

Mr. MOLASKY. I could not very well answer that, Senator.

The CHAIRMAN. The record shows, I believe, does it not, Mr. Robinson, the amount paid for telephone service there during some year? Was it correct, switchboard service and telegrams and telephones, 1949, \$6,276.99; telephone service, 1949, \$28,080; is that what the books show?

Mr. MOLASKY. What year was that?

The CHAIRMAN. During 1949.

Mr. ROBINSON. 1949.

Mr. MOLASKY. Perhaps the auditor may have listed that. It could not be that much to the telephone company. If it is, I don't know.

The CHAIRMAN. Anyway, the record shows what it is.

Mr. SHENKER. The income tax would show what it is.

The CHAIRMAN. Let us see, you and your wife and the members of your family own how many thousands of shares? What is the total holding, Western Union—how many thousand shares?

Mr. HALLEY. Eighteen thousand for his whole family, he and his wife and two children.

Mr. MOLASKY. Eighteen thousand and fifty.

Mr. HALLEY. And 50, that is your daughter-in-law.

The CHAIRMAN. You said that you cannot even read a scratch sheet, Mr. Molasky?

Mr. MOLASKY. I did not. I said I can't interpret a racing form.

The CHAIRMAN. Racing form. Who makes these selections down here about who is going to win these various races?

Mr. MOLASKY. That is given to us by the Pioneer News Co.

The CHAIRMAN. Do you send these through the mails?

Mr. MOLASKY. No, sir.

The CHAIRMAN. Sports review?

Mr. MOLASKY. No, sir; that is sold in the city of St. Louis only.

The CHAIRMAN. Well, don't you sell it in Kansas City or East St. Louis?

Mr. MOLASKY. No, sir.

The CHAIRMAN. Only in the city of St. Louis?

Mr. MOLASKY. It is sold in St. Louis. They may pick them up in St. Louis and take them to East St. Louis, but not through the mail. They may have a distributor coming over.

The CHAIRMAN. Do you ever lay any bets, Mr. Molasky?

Mr. MOLASKY. I have never been a bookmaker; I know nothing about betting on horses. I maybe go to a race track, and I might bet \$2 on a horse or something at a race track, or something, yes.

The CHAIRMAN. Mr. Robinson, do you have any matters there that you wanted to ask Mr. Molasky about?

Mr. ROBINSON. I just have two questions. Do you have any competition in the areas which you cover with this news service?

Mr. MOLASKY. You are referring now to the Pioneer News?

Mr. ROBINSON. That is right.

Mr. MOLASKY. We have none whatever; that is an exclusive that the Pioneer gets from the Continental.

Mr. ROBINSON. In other words, you have an exclusive area?

Mr. MOLASKY. That is right.

Mr. ROBINSON. How are the charges that Pioneer charges their customers determined?

Mr. MOLASKY. That is determined by William Brown, and I have nothing to do with that whatsoever.

Mr. ROBINSON. Does it vary?

Mr. MOLASKY. Yes, it varies from anywhere from \$25, as I said, up to \$300 or \$350.

Mr. ROBINSON. The service for which you charge would consist of giving information out over the phone when these people call in; is that correct?

Mr. MOLASKY. That is correct.

Mr. ROBINSON. Is it your opinion that these charges are based on the volume of their calls?

Mr. MOLASKY. I have nothing to do with it, I have never set no charge up with any individual account. William Brown handles all of that himself.

Mr. ROBINSON. Is there any attempt, insofar as your knowledge is concerned, made by the Pioneer News Service to relate your charges to the volume of business done by the customer that you serve?

Mr. MOLASKY. To the best of my knowledge is that William Brown handles all of that there, and I don't know how he sets the price or what basis he sets the price on.

Mr. SHENKER. Do you know whether that is a consideration that is being given?

Mr. MOLASKY. No, I don't.

Mr. ROBINSON. That is all.

Mr. HALLEY. What community does your wire serve? In what area do you have this exclusive right to the news service?

Mr. MOLASKY. To the best of my knowledge they serve in St. Louis area, East St. Louis, Granite City, and Alton.

Mr. HALLEY. And Alton?

Mr. MOLASKY. Yes.

Mr. HALLEY. Do you know any of the employees of Western Union in any of those offices?

Mr. MOLASKY. I don't know none of them at all.

Mr. HALLEY. Have you ever met any?

Mr. MOLASKY. Yes, sir; I met Mr. Vermilion of the Western Union in St. Louis.

Mr. HALLEY. Who is Mr. Vermilion?

Mr. MOLASKY. He is the local Western Union manager.

Mr. HALLEY. Would you state when you last saw Mr. Vermilion?

Mr. MOLASKY. Oh, about perhaps a year ago.

Mr. HALLEY. Where did you see him?

Mr. MOLASKY. In my office.

Mr. HALLEY. Did he come to your office?

Mr. MOLASKY. I believe he did. He wanted me to sign my proxies of Western Union for Mr. Marshall, if I can remember. He came up to get my proxies, if I remember.

Mr. HALLEY. He then had a statement with him showing that you owned 9,000 shares; is that right?

Mr. MOLASKY. He had proxies showing exactly what we owned.

Mr. HALLEY. And it is, then, a fact that the local manager of Western Union is aware of the fact that you are the owner of many thousands of shares of Western Union stock?

Mr. MOLASKY. That is correct.

Mr. HALLEY. Do you know a man named Cooper, Maurie Cooper?

Mr. MOLASKY. I do.

Mr. HALLEY. Where does he reside?

Mr. MOLASKY. I do not know.

Mr. HALLEY. In what business is he?

Mr. MOLASKY. I don't know what business the man is in. I understand he has got a furniture store.

Mr. HALLEY. When did you last see him?

Mr. MOLASKY. I don't think I have seen Maurie in months. In the past year I may have seen him once or twice.

Mr. HALLEY. Well, you stated that you know him. Where have you seen him?

Mr. MOLASKY. I may have seen him at a ball game.

Mr. SHENKER. He is asking in the city, isn't that the point that you are talking about?

Mr. MOLASKY. In St. Louis.

Mr. HALLEY. In what city, St. Louis?

Mr. MOLASKY. St. Louis.

Mr. HALLEY. In what places in St. Louis?

Mr. MOLASKY. It may have been at a ball game or a restaurant.

Mr. HALLEY. Think for a moment, and instead of saying where you may have seen him, state where you did see him.

Mr. MOLASKY. I don't remember. It may be that I saw him at a ball game. I may have seen him at a restaurant or he may have been at the Chase Hotel, where I may have been with my family, I don't remember.

Mr. HALLEY. Have you ever been to his home or place of business?

Mr. MOLASKY. I have never been to his home or never been to his place of business.

Mr. HALLEY. Has he ever been to your home or place of business?

Mr. MOLASKY. Yes; he was at my home.

Mr. HALLEY. How recently?

Mr. MOLASKY. Maybe 2 years ago.

Mr. HALLEY. Is it not a fact that he is a bookmaker?

Mr. MOLASKY. I cannot swear he is a bookmaker. I don't know what he—

Mr. HALLEY. To the best of your information, isn't he a bookmaker?

Mr. MOLASKY. I assume he is.

Mr. HALLEY. Does he buy the service from Pioneer News?

Mr. MOLASKY. I assume he does.

Mr. HALLEY. Well, you assume he does. Do you know it or do you not?

Mr. MOLASKY. I don't know, unless the record speaks for itself there.

The CHAIRMAN. Well, Mr. Molasky, you know whether he bought service or not. If he came to your home, you certainly would be talking about it.

Mr. MOLASKY. Senator, at this particular time, unless I look at the books I don't know what account buys it; I don't know it.

The CHAIRMAN. Did you know it when he was visiting your home?

Mr. MOLASKY. Yes, sir.

Mr. HALLEY. Sometime back you were asked whether you know the people of the Pioneer Service, and you said you knew two, and you did not mention Mr. Cooper.

Mr. MOLASKY. It might have been two, three, four, I can't remember in all these years.

Mr. HALLEY. Now, your memory is refreshed, and Mr. Cooper should be added to that list?

Mr. MOLASKY. That is right.

Mr. HALLEY. Well, perhaps, before you leave you would like to refresh your memory and search your memory, because I am going to ask you to swear definitely that you have now told this committee the names of every one of the customers of Pioneer News whom you know, or have met.

Now, we have just found that you know Mr. Cooper, and that he is a customer. Are there any others?

Mr. MOLASKY. Mr. Halley, let me answer you this way, I don't know how many of them I have met. I don't want to tell you no lie. If you tell me any of them, I will honestly tell you. I don't want to lie to you at all.

Mr. HALLEY. Mr. Chairman, I request that the meeting be continued over after other matters are finished today, until we can get the list

which was sent to the McFarland committee, if there is such a list, which the witness said he sent.

The CHAIRMAN. The witness said the list has been sent.

Mr. HALLEY. And we can, perhaps, go over the list with the witness tomorrow.

The CHAIRMAN. Off the record.

(Discussion off the record.)

The CHAIRMAN. Well, either from you or from Mr. Brown we would like to get a list; we will check and see if it was sent to the Interstate Commerce Committee, and if not, we would like to get a list from one or the other of you.

Mr. SHENKER. You can get that without any question. We were under the impression that you had that list, that you had the records that were kept by the other committee.

The CHAIRMAN. Off the record.

(Discussion off the record.)

The CHAIRMAN. This hearing will be held open in the event we wish to call Mr. Brown in, and in the event we wish to secure more information from you, Mr. Molasky.

Mr. SHENKER. I would like to ask Mr. Molasky one or two questions.

Mr. MOLASKY. Can I leave now?

The CHAIRMAN. I think so, but you will be asked some questions.

Mr. MOLASKY. Pardon me, Mr. Shenker, I will be glad to come back, but Senator, I was planning on leaving on the 24th of June to go to California, and I would appreciate it; but it is entirely up to you.

The CHAIRMAN. All right, we will keep in touch with you, and you can go home so as to be home on Thursday.

Mr. SHENKER. Just one or two questions I would like to ask Mr. Molasky for the record.

Now, Mr. Molasky, pertaining to the people that you testified that you knew and that you believed were buying service and information from Pioneer, I believe you testified that you had not talked to any of the others excepting those that you mentioned anything about. You mean, so far as you know you did not talk to them about anything; is that not correct?

Mr. MOLASKY. That is correct.

Mr. SHENKER. It may well be possible that you talked to all of them at one time or another?

Mr. MOLASKY. I don't know how many of them I talked to.

Mr. SHENKER. I said it may well be possible that you talked to all of them at one time or another; isn't that correct?

Mr. MOLASKY. That is correct.

Mr. SHENKER. You did not arrange for any service for Pioneer?

Mr. MOLASKY. Never.

Mr. SHENKER. But you may have well talked to them about anything or everything, all of them or any of them?

Mr. MOLASKY. Yes.

Mr. SHENKER. I would like to ask you one more question pertaining to this Western Union.

Looking at these exhibits that you have introduced here of the I. M. Simon & Co., I note that most of your Western Union stock was sold before 1943 or by 1944?

Mr. MOLASKY. That is correct.

Mr. SHENKER. Then you did not own any Western Union stock—  
Mr. MOLASKY. From 1943 to 1946.

Mr. SHENKER (continuing). From about 1943 to about 1946?

Mr. MOLASKY. That is correct.

Mr. SHENKER. You were still interested during those years in the Pioneer News Service?

Mr. MOLASKY. I was.

Mr. SHENKER. You still had your stock in there; is that correct?

Mr. MOLASKY. That is correct.

Mr. SHENKER. All right, that is all.

The CHAIRMAN. Senator Hunt has some questions.

Mr. MOLASKY. Yes, sir.

Senator HUNT. Do you remember in your dealings and purchases and sales of Western Union, did you make some money on the transactions?

Mr. MOLASKY. It speaks for itself.

Senator HUNT. I know, but just tell me.

Mr. SHENKER. Tell him.

Mr. MOLASKY. I think I did; I did here.

Senator HUNT. I wondered why you purchased Western Union when all of Wall Street, all of the Wall Street men, who are supposed to be in the know, and since it is generally understood, and generally known that Western Union is not doing well—did you purchase it solely on Mr. Egan's showing you this—

Mr. MOLASKY. The additional stock I bought on Mr. Egan's showing me through the plant; yes. The first three to five thousand shares was bought before that.

Senator HUNT. Now, what percent of total outstanding stock do you own of Western Union?

Mr. MOLASKY. I own as an individual—you are talking about myself?

The CHAIRMAN. You and your family.

Senator HUNT. Your family.

Mr. MOLASKY. 18,050 shares.

Senator HUNT. That is what percent of the outstanding stock?

Mr. MOLASKY. I cannot say.

Senator HUNT. Do you know what the outstanding capitalization in shares is?

Mr. SHENKER. It is something way up there, Senator. I believe it is less than 3 percent, somebody told me; I do not know.

Senator HUNT. I wanted to get that.

Mr. SHENKER. Have you got that Post-Dispatch article here? They gave the exact amount.

Senator HUNT. That is close enough. It is not, certainly, a percentage of holding that would allow you to step into the company and dictate policy?

Mr. MOLASKY. It is a drop in the bucket in consideration of their holdings. I understand that they have a million or two million shares.

Senator HUNT. In the purchase of this stock, was there any thinking behind the purchase that by such purchase you would have an advantage of any kind in getting wire service for your publication?

Mr. MOLASKY. Never; not at any one time, Senator, has that been entering my mind. Never has that been in my mind, or never did I discuss it.

Senator HUNT. I don't believe I have any more questions.

The CHAIRMAN. There is one further question. I have never understood why Mr. Annenberg sold you 22½ shares of Pioneer stock for \$1.

Mr. MOLASKY. He gave it to me for \$1.

The CHAIRMAN. Why did he do that?

Mr. MOLASKY. He just wanted to get rid of that. I cannot answer it; he gave it to me for \$1.

The CHAIRMAN. Were you good friends?

Mr. MOLASKY. Very good friends. I was a very good friend of Mr. Annenberg, and a very good friend of his son.

The CHAIRMAN. That stock was worth a great deal, was it not?

Mr. MOLASKY. At that time, yes, it was.

The CHAIRMAN. How much would you say it was worth?

Mr. MOLASKY. At that time I would say it was worth \$30,000 or \$40,000.

Mr. SHENKER. I will ask that that be stricken as purely a conclusion on his part because I do not think he ought to tie it down as to value. Could it be sold on the market?

Mr. MOLASKY. No.

Mr. SHENKER. Could you be selling it?

Mr. HALLEY. Just a minute.

Mr. SHENKER. It is not fair to ask him that question.

Mr. HALLEY. Please do not interrupt the chairman in his questioning. The chairman meant to get a conclusion.

The CHAIRMAN. Let us put it this way: What day was it, what time was it, that he gave you this number of shares?

Mr. MOLASKY. I think it was in the year 1940.

The CHAIRMAN. When was it that you bought these shares previous to that?

Mr. MOLASKY. In 1932.

The CHAIRMAN. What did you pay for them?

Mr. MOLASKY. I paid \$25,000 for 12½ shares.

The CHAIRMAN. Twelve and a half shares, you paid \$25,000. Do you think the shares were as valuable in 1941 as they were in 1932?

Mr. MOLASKY. They were not.

The CHAIRMAN. They had lost some of their value?

Mr. MOLASKY. The business was shot.

The CHAIRMAN. That gives us an idea. But had there been any previous negotiation about this, or did it just come out of a clear blue sky that he gave you these shares?

Mr. MOLASKY. Before Annenberg—it might have been during the time he was sentenced, and went away, that the stock was given.

The CHAIRMAN. Had he been sentenced at that time?

Mr. MOLASKY. I believe he was. You can check, Mr. Halley, with Joe First; he can tell you exactly when it was given to me. He can answer it himself how he gave it to me, and you can find out everything that I told you was the truth.

The CHAIRMAN. Mr. Molasky, let me ask you this: What do you do about political contributions? In 1949, did you make any substantial political contributions?

Mr. MOLASKY. I did.

The CHAIRMAN. To whom?

Mr. MOLASKY. I gave \$2,500 toward the Governor's campaign.

The CHAIRMAN. That is Governor Smith, of Missouri?

Mr. MOLASKY. That is correct.

The CHAIRMAN. To whom did you give it?

Mr. MOLASKY. I gave it to John Hendron.

The CHAIRMAN. Of Kansas City?

Mr. MOLASKY. Of Kansas City—I don't know, of Jefferson City.

The CHAIRMAN. Is that all the campaign contribution you made in 1949?

Mr. MOLASKY. That is my recollection.

Mr. SHENKER. He is wrong in the year, because Smith did not run for Governor in 1949. I do not want to tell him what to say, but he is wrong in the year.

The CHAIRMAN. Maybe it was 1948. Anyway, whenever Mr. Smith ran for Governor, that is when you contributed \$2,500?

Mr. MOLASKY. That is correct.

The CHAIRMAN. How did you happen to do that?

Mr. MOLASKY. Well, I felt that I wanted to give it toward his campaign.

The CHAIRMAN. I mean, you know him?

Mr. MOLASKY. No; I did not know Governor Smith.

The CHAIRMAN. Did anybody solicit you?

Mr. MOLASKY. John Hendron, I gave it to John Hendron.

The CHAIRMAN. Was he his campaign manager or treasurer?

Mr. MOLASKY. He was his campaign manager.

The CHAIRMAN. How about during the presidential elections, did you make any contribution then?

Mr. MOLASKY. I do not remember.

The CHAIRMAN. Well, you would know, would you not?

Mr. MOLASKY. I doubt it.

The CHAIRMAN. How about senatorial campaigns?

Mr. MOLASKY. I doubt it.

The CHAIRMAN. Congressional campaigns?

Mr. MOLASKY. I doubt it.

The CHAIRMAN. What?

Mr. MOLASKY. I doubt it. I don't think I gave anything.

The CHAIRMAN. Did Pioneer News Service give anything?

Mr. MOLASKY. I don't think so.

The CHAIRMAN. What was given was out of your own pocket?

Mr. MOLASKY. That is correct.

The CHAIRMAN. Mr. Halley?

Mr. ROBINSON. I notice in your statement here, Mr. Molasky, that as well as distributing a number of publications, you also distribute some publications which are commonly referred to as scratch sheets?

Mr. MOLASKY. Right.

Mr. ROBINSON. In other words, the clean sheet daily, and so forth?

Mr. MOLASKY. That is right.

Mr. ROBINSON. What would be the advantage, what would I get from Pioneer News Service telephonically that I could not get on one of these scratch sheets?

Mr. MOLASKY. I don't know what you could get from them outside of getting the description of the races.

Mr. ROBINSON. I mean, do I have any advantage in calling direct to Pioneer News for information other than buying these scratch sheets?

Mr. MOLASKY. The Pioneer News Co. has nothing to do with me distributing these scratch sheets. I am one of 800 distributors in the United States; right in the city of Washington there would be the same distributor who handles the same thing.

Mr. ROBINSON. The scratch sheets would not give changing odds and off-time, but I could get that over the telephone by calling Pioneer?

Mr. MOLASKY. That is correct.

The CHAIRMAN. Well, Mr. Molasky, thank you very much.

You and your attorney work out matters with Mr. Halley and Mr. Robinson about these records, and we want to get them back to you as soon as we can.

Mr. MOLASKY. That is all right.

The CHAIRMAN. We appreciate your willingness to come to Washington and give us the benefit of any information you have.

The hearing will be held open for the purpose of any other inquiry we want to make or getting information from Mr. Brown about his part of the operation.

Mr. MOLASKY. All right, I will be glad at any time you want to call me.

The CHAIRMAN. With that, the committee is adjourned.

(Whereupon, at 4:50 p. m., the committee adjourned, subject to the call of the Chair.)

# INVESTIGATION OF ORGANIZED CRIME IN INTERSTATE COMMERCE

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THURSDAY, JUNE 29, 1950

UNITED STATES SENATE,  
SPECIAL COMMITTEE TO INVESTIGATE  
ORGANIZED CRIME IN INTERSTATE COMMERCE,  
*Washington, D. C.*

EXECUTIVE SESSION

The committee met, pursuant to call of the chairman at 10:30 a. m. in room 908, Home Owners' Loan Corporation Building, Washington, D. C., Senator Estes Kefauver (chairman) presiding.

Present: Senators Kefauver and Hunt.

Also present: Rudolph Halley, chief counsel; George S. Robinson, associate counsel; and Alfred Klein, assistant counsel.

The CHAIRMAN. General McKittrick, we want to thank you for coming here today to give us your testimony. It is the rule of the committee that all witnesses be sworn. Do you solemnly swear that the testimony you give to this committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. McKITTRICK. I do.

## TESTIMONY OF ROY McKITTRICK, ST. LOUIS, MO.

The CHAIRMAN. Have a seat, Mr. McKittrick.

Mr. HALLEY. Mr. Robinson, will you go ahead?

Mr. ROBINSON. General, would you state your full name?

Mr. McKITTRICK. Roy McKittrick.

Mr. ROBINSON. What is your present address?

Mr. McKITTRICK. Home address?

Mr. ROBINSON. Home address.

Mr. McKITTRICK. 7023 Stanley Avenue, St. Louis, Mo.

Mr. ROBINSON. What is your business at the present time?

Mr. McKITTRICK. Lawyer.

Mr. ROBINSON. You are practicing in St. Louis?

Mr. McKITTRICK. Yes, sir.

Mr. ROBINSON. Have you at any time held any official position in the city of St. Louis in the State of Missouri?

Mr. McKITTRICK. Yes, sir.

Mr. ROBINSON. What was that position?

Mr. McKITTRICK. State senator and attorney general.

Mr. ROBINSON. How long were you attorney general?

Mr. McKITTRICK. Twelve years.

Mr. ROBINSON. What period did that cover?

Mr. McKITTRICK. January of 1933 to January of 1945.

Mr. ROBINSON. General, are you acquainted with the Pioneer News Service?

Mr. McKITTRICK. Yes, sir.

Mr. ROBINSON. How long have you been acquainted with that organization?

Mr. McKITTRICK. You mean the people who operate it?

Mr. ROBINSON. Let me first ask you, Who are the people who are the owners of that concern?

Mr. McKITTRICK. At the time that I first became acquainted with the owners it was Clarence L. Owen, and Bev Brown, and Mr. Molasky.

Mr. ROBINSON. Would that be William Molasky?

Mr. McKITTRICK. Yes, sir.

Mr. ROBINSON. How long have you been acquainted with Mr. Clarence Owen?

Mr. McKITTRICK. It was in 1933 or 1934.

Mr. ROBINSON. Did you represent him as counsel?

Mr. McKITTRICK. I beg your pardon?

Mr. ROBINSON. Did you represent him as counsel?

Mr. McKITTRICK. Yes, sir; in 1947.

Mr. ROBINSON. Is Mr. Owen now living?

Mr. McKITTRICK. No, sir.

Mr. ROBINSON. Can you fix the approximate date of his death?

Mr. McKITTRICK. May 1948.

Mr. ROBINSON. Is Mr. Brown now living?

Mr. McKITTRICK. No, sir.

Mr. ROBINSON. What was the approximate date of his death?

Mr. McKITTRICK. I believe it was in the fall of 1947. I believe. Of course, I could get that.

(Discussion off the record.)

Mr. ROBINSON. Was Mr. Clarence Owen a person of some wealth so far as you know?

Mr. McKITTRICK. Yes, sir; he was.

Mr. ROBINSON. Did you handle his estate?

Mr. McKITTRICK. Yes, sir; for his widow.

Mr. ROBINSON. What was the approximate value of his estate?

Mr. McKITTRICK. Around two hundred and fifty, sixty, or seventy thousand.

Mr. ROBINSON. Was there a time at which either Mr. Owen or Mr. Brown withdrew from the Pioneer News Service?

Mr. McKITTRICK. Yes, sir.

Mr. ROBINSON. Would you describe what the circumstances were of that situation?

Mr. McKITTRICK. May I make a statement?

Senator HUNT. Anything you would like off the record just say you want this off the record.

Mr. McKITTRICK. On the record or off doesn't make any difference.

Senator HUNT. Surely. Go right ahead.

Mr. McKITTRICK. My information with reference to this question and other similar questions that may be asked concerning this matter came to me through Mr. Owen and my other knowledge with reference to certain facts pertaining to the Missouri circumstances came to me through Charlie Binaggio. Of course, they are both dead. I will be frank, it is embarrassing to me to talk about something that people

told me that are now deceased. If they were living I would not hesitate, but I am reluctant. When you say something that somebody told you who is now dead, it is easy for someone else to think it is just a fabricated story, but under that condition I want to answer every question I can.

Senator HUNT. I think, Mr. McKittrick, perhaps it would be best for you to go ahead and answer the questions and impart to us the knowledge you gained from these people who are no longer living, and the preliminary statement that you have made that you dislike to do it, the consequences, I think covers the situation, so you are now at liberty and free to go ahead and give the answer.

Mr. HALLEY. May I add that you can rely upon the fact that the committee will obviously, in weighing any testimony, give proper consideration to facts such as the ones you mentioned. As to whether the testimony should be used or whether it would be fair to use it, you can rely on the committee's discretion there.

Mr. McKITTRICK. Mr. Counsel, you readily understand that whatever becomes public that I say with reference to what Mr. Owen or Mr. Binaggio told me, in the Missouri situation they would say that is just a statement from a defeated candidate and he is sore. You can understand my feeling about that.

Mr. HALLEY. You are about to give us facts, is that right; actual conversations that took place?

Mr. McKITTRICK. That is right, that is all.

Mr. HALLEY. You were there and they were your conversations with these people?

Mr. McKITTRICK. That is right.

Mr. HALLEY. That is competent evidence and I do not think you should be embarrassed.

Mr. McKITTRICK. May I have the question?

Mr. ROBINSON. I think the question, Mr. McKittrick, was, what were the circumstances connected, insofar as you know, with the withdrawal of either Mr. Owen or Mr. Brown from the Pioneer News Service. If you can, I wish you would try to fix the approximate dates.

Mr. McKITTRICK. Mr. Owen and Mr. Brown had been associated together in business for more than 30 years. They operated the Pioneer News Service. In 1947 or the latter part of 1946 Mr. Brown left the offices of the Pioneer Co. and set up an office with a different company across the river in East St. Louis. Mr. Brown and Mr. Owen separated because, according to the statement of Mr. Owen to me, Mr. Buster Wortman and Elmer Dowling and another party who is now deceased wanted to take over the business.

Mr. HALLEY. Was that Gregory Moore?

Mr. McKITTRICK. No, sir; it was not Moore. His name was Epelheimer, or some such name.

Mr. ROBINSON. What was this company across the river that you mentioned?

Mr. McKITTRICK. I don't remember the name of it, some organization, some new company that Mr. Owen said was supported and organized from Chicago.

Mr. ROBINSON. Did he indicate to you who the people were who were in back of the new company?

Mr. McKITTRICK. At Chicago? No, sir.

Mr. ROBINSON. He merely referred to it as a Chicago group?

Mr. McKITTRICK. Yes. And that these gentlemen represented that group. They made a deal with Brown and tried to make a deal with Owen, but Owen refused their proposition. Mr. Brown accepted. They opened this office for the purpose of obtaining racing information across the river, and it was a competitor of Mr. Owens.

Mr. ROBINSON. Did Mr. Owen at any time tell you why he refused to join with them?

Mr. McKITTRICK. He said he did not want to have anything to do with it, he did not care how much money they had or how much money they would offer him. He positively would have nothing to do with them.

Mr. ROBINSON. Did there come a time when Mr. Brown came back with the Pioneer Service?

Mr. McKITTRICK. Mr. Brown never disposed of his stock. The only thing he did was to move over to the east side of the river, that is, East St. Louis, and open another office in competition with the Pioneer. Mr. Owen took sick in December of 1947. After that, some time after that, Mr. Brown moved back to the Pioneer office, which is located in the Fullerton Building in St. Louis.

Mr. ROBINSON. Do you know what became of the East St. Louis company?

Mr. McKITTRICK. No, sir.

Mr. ROBINSON. How long it remained in existence?

Mr. McKITTRICK. No, sir.

Mr. ROBINSON. Did you at any time handle any stock transactions for the Owen family?

Mr. McKITTRICK. Yes.

Mr. ROBINSON. Stock in the Pioneer News Service?

Mr. McKITTRICK. Yes, sir.

Mr. ROBINSON. Would you describe what that transaction was?

Mr. McKITTRICK. Mrs. Owen, Florence Owen, the wife of Clarence L. Owen, had 12½ shares in her name at the time of Mr. Owen's death, and Mr. Owen had 12½ shares. Bev Brown had 12½ shares, and Mrs. Brown had 12½ shares. Mr. Molasky, if my memory serves me right, 35 shares, and a Mr. Ragen, or his heirs, had the remainder. He is the man who died in the hospital in Chicago. Mrs. Owen wanted to dispose of her interest, wanted to get out, and Mr. Brown and she had several conversations about it, and they finally consummated the deal for the sum of \$25,000 for the 25 shares, the 12½ belonging to her and the 12½ belonging to the estate of Clarence Owen.

Mr. ROBINSON. Who made the purchase?

Mr. McKITTRICK. Mr. William Brown, the son of Mr. Bev Brown.

Mr. ROBINSON. Do you know what business Mr. William Brown was in at the time of that transaction?

Mr. McKITTRICK. He was working then for the Pioneer News Service.

Mr. ROBINSON. Do you know what his financial situation was?

Mr. McKITTRICK. Only just hearsay.

Mr. ROBINSON. Was he a man of some wealth?

Mr. McKITTRICK. He didn't have that reputation.

Mr. HALEY. Pardon me. Did you represent Mrs. Owen in this transaction?

Mr. McKITTRICK. Yes, sir.

Mr. HALLEY. As counsel? You were her lawyer?

Mr. McKITTRICK. Yes, sir.

Mr. HALLEY. Thank you.

Mr. ROBINSON. Do you have any information as to whether or not Mr. William Brown put up the money himself or was backed by anyone else?

Mr. McKITTRICK. As I recall it, he delivered a cashier's check or a draft, I didn't ascertain which, to Mrs. Brown on the date of the transaction. Just whose money it was actually I don't know.

Mr. ROBINSON. You have no information of your own knowledge as to whether or not he was backed by anyone or who those people may have been?

Mr. McKITTRICK. I have no knowledge of it; no, sir.

Mr. HALLEY. For what it is worth, would you state any hearsay you have? It will be weighed properly by the committee, but as an aid to the committee in its investigation, would you state what hearsay you have and the basis of your hearsay?

Mr. McKITTRICK. On that basis it seems to be the general understanding he was merely a representative of the Wortman-Dowling crowd, that they were really the owners.

Mr. HALLEY. Are they well known police characters, criminals?

Mr. McKITTRICK. Oh, yes, sir.

Mr. HALLEY. Are they supposed to be connected with the Capone Chicago racketeers?

Mr. McKITTRICK. They are referred to constantly in that manner.

Mr. HALLEY. That is their reputation.

Mr. McKITTRICK. Yes, sir.

Mr. HALLEY. What is the basis of this information you have?

Mr. McKITTRICK. I would say general talk.

Mr. HALLEY. You were a lawyer in the deal. At the time you handled it did you rather understand that these three people, Dowling, Moore, and Wortman—

Mr. McKITTRICK. It was understood they were working for them. Mr. Bev Brown was working for his father, and then his son was working for those people, employed by them.

Mr. HALLEY. And it was your understanding that those three people put up the \$25,000 purchase price?

Mr. McKITTRICK. For their benefit and use, whether they actually put up the money, that was never discussed. I understood they were the controlling parties of that Pioneer Service.

Mr. ROBINSON. Were there any of these people that you have mentioned present during the time of any of the negotiations for the purchase or the final settlement?

Mr. McKITTRICK. No, sir; at the final settlement there was Mr. Willie Owen, Mr. Morris Shenker, myself, Willie Brown, Mrs. Owen, and another gentleman. I can't remember his name. This other man took notes. Just who he represented, I wasn't informed. Mr. Shenker is the attorney who represented the Pioneer Co., and Mr. Willie Brown.

Mr. ROBINSON. Do you have any further questions on this particular situation before I go to another?

Mr. HALLEY. Have you, Senator?

Senator HUNT (presiding). No; but just as a point of information and off the record.

(Discussion off the record.)

Mr. ROBINSON. Mr. McKittrick, how long have you known Gov. Forrest Smith?

Mr. McKITTRICK. We began serving on boards in 1933.

Mr. ROBINSON. Did you at one time have a discussion with him regarding his candidacy for the nomination for the Democratic Party?

Mr. McKITTRICK. For Governor?

Mr. ROBINSON. Yes, sir.

Mr. McKITTRICK. Yes, sir.

Mr. ROBINSON. Do you recall the date of that conversation?

Mr. McKITTRICK. It was in October 1947.

Mr. ROBINSON. Would you state to the committee what the nature of that conversation was?

Mr. McKITTRICK. We were discussing the Governor's race. He said he had some information that I would like to be a candidate, and I told him I did not think so. He said, "I wish you would not make this race, if we can make such an agreement and get along together."

He said, "If you don't cause me any trouble, I can win it without much difficulty."

I said, "I am not very much interested in it."

He said, "You stay out of this race, and I will support you in 1952 for the Senate."

I said, "It is too far ahead to think about."

He said, "You know Gully Owen pretty well."

I said, "Fairly, yes."

He said, "I wish you would discuss it with him and see if he can help me. I would like to have their support." He said, "I need some money to make this campaign on. I wish you would discuss it with him."

I didn't make any reply. He and I were walking from the Mayfair Hotel on Eighth Street down to Locust Street.

Mr. ROBINSON. Did he at any time indicate that he desired to have you go with him to see Mr. Owen?

Mr. McKITTRICK. No; he didn't say that. He didn't ask me that.

Mr. ROBINSON. Did you state to him that you would see Mr. Owen on his behalf?

Mr. McKITTRICK. I don't think I made any reply. I just went on.

Mr. ROBINSON. Did you at a subsequent time see Mr. Owen and discuss this with him this situation?

Mr. McKITTRICK. I saw Mr. Owen after the conversation I had with Mr. Smith, in which we were discussing the Governor's race, and I told him that Mr. Smith was going to be a candidate definitely. He said, "I am not going to support him. That is definite, too."

Mr. ROBINSON. Did you ask Mr. Owen at first whether he would support Mr. Smith and make a financial contribution to his campaign?

Mr. McKITTRICK. I didn't say anything about financial contribution. I asked him how he felt about supporting Mr. Smith.

Mr. ROBINSON. Do you remember what his exact words were in reply to that question?

Mr. McKITTRICK. I don't know that I remember the exact words, but the effect of what he said was that he would not support him under any conditions.

Mr. ROBINSON. Did he give any specific reasons for his unwillingness to support him?

Mr. McKITTRICK. He didn't think Mr. Smith would keep the gang from the east, as he called it, out of St. Louis, and he wanted to be sure we had a Governor who would do that. He was definitely against what he termed the gang from East St. Louis.

Mr. HALLEY. They were in competition with him, is that right, the East St. Louis crowd?

Mr. McKITTRICK. Yes.

Mr. ROBINSON. Did he make any reference to the fact that he would be double-crossed in any way? Do you recall any expression along that line?

Mr. McKITTRICK. No, I don't.

Mr. ROBINSON. Did you have any subsequent conversations with Governor Smith about this matter?

Mr. McKITTRICK. No, sir.

Mr. ROBINSON. When did you decide yourself to be a candidate?

Mr. McKITTRICK. Sometime in January 1948.

Mr. ROBINSON. Did you have any discussion with any one with respect to your candidacy?

Mr. McKITTRICK. Prior to January 1948?

Mr. ROBINSON. Yes.

Mr. McKITTRICK. Oh, several. Labor leaders, Democratic committeemen there in the city, Owen, several.

Mr. ROBINSON. Did Mr. Owen indicate he would back you?

Mr. McKITTRICK. Yes, sir. He urged me to get in. He talked to several other people to get me in.

Mr. ROBINSON. Did you have any conversations with any one else other than those that you have mentioned regarding your candidacy on or about that time?

Mr. McKITTRICK. Oh, a number of people.

Mr. ROBINSON. Did you have any conversations with Charles Bin-nagio about your candidacy?

Mr. McKITTRICK. Yes, sir.

Mr. ROBINSON. Will you state what the substance of your first conversation was in that connection?

Mr. McKITTRICK. He wanted to discuss what he thought the chances to win were. It impressed me what he meant was the importance that he had to have a Governor. He had been having a pretty rough time the last couple of years. The political game was very expensive to him. He just had to have a Governor.

Mr. ROBINSON. Did he indicate specifically why he had to have a Governor? Was there any elaboration on that?

Mr. McKITTRICK. He discussed with me having to close up certain places which he owned and operated, and he didn't like to be underground all the time.

Mr. HALLEY. What kind of places?

Mr. McKITTRICK. Gambling places.

Mr. HALLEY. Handbooks?

Mr. McKITTRICK. Yes; regular gambling places, where they shoot dice and things like that.

Mr. HALLEY. Would you say where this conversation took place?

Mr. McKITTRICK. Yes, sir. At the Jefferson Hotel in St. Louis.

Mr. HALLEY. What part of the hotel?

Mr. McKITTRICK. I had several with him. Let me see—you mean what floor it was on?

Mr. HALLEY. Was it up in a room?

Mr. McKITTRICK. Oh, yes; surely.

Mr. HALLEY. Whose room was it?

Mr. McKITTRICK. His.

Mr. HALLEY. What was the approximate date as best you can fix it?

Mr. McKITTRICK. It was some time late in 1947. On the same occasion we walked down to Mr. Owen's—no, that was the first time. It must have been before December—some time before December—because we walked down to Owen's office, and he and Owen had a conversation about the Governor's race and other matters, but he made no commitment, Binnagio didn't.

Mr. ROBINSON. You were a candidate at that time?

Mr. McKITTRICK. No.

Mr. ROBINSON. You had not announced at that time?

Mr. McKITTRICK. No, I had not.

Mr. ROBINSON. Did you have any subsequent conversations with Mr. Binaggio regarding your becoming a candidate?

Mr. McKITTRICK. The next one was at Springfield, Mo., at the Jackson Day dinner. We discussed it there.

Mr. ROBINSON. Had you announced at that time?

Mr. McKITTRICK. No, sir.

Mr. ROBINSON. What was the nature of that conversation?

Mr. McKITTRICK. He said, "I doubt the advisability of your getting into this race." He said, "I don't know whether the East St. Louis fellows are going to stay with you." He said, "Before you get in I would like to talk to you about it more."

I said, "All right."

And I did see him after that again at the Jefferson Hotel in St. Louis.

Mr. ROBINSON. What was the approximate date of that?

Mr. McKITTRICK. January 1948.

Mr. ROBINSON. Was that after you had announced your candidacy?

Mr. McKITTRICK. Yes, sir.

Mr. ROBINSON. What was the nature of that conversation?

Mr. McKITTRICK. He told me—the gist of it was that he thought I had made a mistake in getting in the race, that they were going to have to support Smith, and they had things arranged with Smith. He said, "Do you think you can win?"

I said, "No; if you are going to support Smith, I can't."

Then we discussed the situation generally. We discussed it as a business proposition. I said, "If you have made up your mind, I think the race is over right now because you are going to elect whoever you support for Governor."

Senator HUNT. Might I ask you why you placed so much confidence in his capacity to dominate an election?

Mr. McKITTRICK. He is the balance of power. He had a lot of friends and supporters in St. Louis, and he was the controlling factor in Kansas City. He had good alliances at St. Joe. He was very active. He was well supplied with money to operate with.

Senator HUNT. What was his business?

Mr. McKITTRICK. He was in the gambling business.

Senator HUNT. Any other business?

Mr. McKITTRICK. No, sir. He would tell anybody, "That is my business and everybody knows that is my business. It is just like the

bank over there." He says, "I am in the gambling business. I don't want any chiselers, but I want to operate."

Senator HUNT. It is difficult for me to understand how one man, even through gambling outlets, could be such a political figure.

Mr. McKITTRICK. Senator, he had several committeemen in St. Louis who were friendly to him, very friendly to him, and the sheriff at St. Louis was very friendly. They had labor organizations that were behind him and with him.

Mr. HALLEY. Who were those committeemen and the sheriff? Would you name them?

Mr. McKITTRICK. Mr. John Dougherty was very friendly with him, and several of the committeemen.

Mr. HALLEY. Would you name as many as you can who were friendly with him?

Mr. McKITTRICK. Jim McAire. He is one of the leaders. State Senator Hogan, Webbe Hogan. Those are two of them.

Senator HUNT. Would you just estimate the number of people in the State of Missouri that you think this man dominated and that he could count on going out and actively working during a campaign? Would it be 1,000 would it be 100, would it be 10,000?

Mr. McKITTRICK. People that he could go out and get them to go along with his candidate?

Senator HUNT. People who would go along with his position simply because he asked them to or because he was taking that position.

Mr. McKITTRICK. Democratic leaders, there would be anywhere from 500 or more.

Senator HUNT. That you would call Democratic leaders.

Mr. McKITTRICK. Yes, local leaders, in different places in the State.

Senator HUNT. Did he have any tie-up with the Republican organization?

Mr. McKITTRICK. There is a Republican leader in Spegusi. I don't know him. I can't spell it. He is the boss of a certain ward, Republican boss, an Italian fellow. Just what the relationship was I don't know, but Charlie always spoke highly of him and referred to him as a friend of his. He is the only one I ever heard him discuss.

But Binaggio at that time had become very strong in Kansas City. His opponent there was getting very weak and Binaggio was taking over fast, rapidly.

Senator HUNT. Just how would they dominate? Was it through a personal following? Was it the fact that they were unusually intelligent and capable men, or would they get their following because of making big financial contributions to the party? Would they make direct contributions to candidates and would they make direct contributions to precincts for workers on election day, and would they actually pay individuals to go out and work? Do you want to cover that idea or field?

Mr. McKITTRICK. Senator, they had the committeeman of each ward, and they would elect those committeemen. Then on election it cost them a good deal of money to get their vote out and to fix their tickets. It was pretty expensive. In each ward that is what they would have. They would have to contribute to the different ward leaders to take care of all their expenses. Building up the organization that he had built up in Kansas City, it helped him to get alined

with people in St. Louis because then they could operate together and on a cheaper basis.

SENATOR HUNT. Let me ask you, Mr. McKittrick, let us take a ward with a thousand voters. Surely out of that thousand voters, including half of them women, 800 of them would be fine, decent, respectable people. The other 200, let us say, would be not of that crystal-pure type. How would that influence that 800?

MR. McKITTRICK. In several of those wards, Senator, they would go 100 to 2, 89 to 1, for one candidate, whoever Binaggio was for, whoever was running, it didn't make any difference, for Senator, for Governor, the whole slate. They would have a ballot and when anybody went in they would hand them that ballot and everybody voted that ballot. That was true in several wards, what they called controlled wards in Kansas City and St. Louis.

That is what he meant that he needed a governor. It was pretty expensive to operate that organization he was operating.

(Discussion off the record.)

MR. HALLEY. Perhaps we can illustrate if we get back on the record. Tell Senator Hunt the remainder of that conversation at the Jefferson Hotel after you were nominated.

(Discussion off the record.)

MR. ROBINSON. General, in your conversations with Mr. Binaggio, or at any time when he had conversations at which you were present, was there any specific reason stated by him as to why he had to have a governor?

MR. McKITTRICK. He said in the political game it cost him a lot of money and he had to make expenses on it. Either that or he said he was going to quit. He said if he couldn't elect a governor this time he was going to quit the political game.

MR. ROBINSON. Did he indicate what type of expenses he was under?

MR. McKITTRICK. Political expenses.

MR. ROBINSON. At any time did he indicate what he meant by "political expenses"? What I am getting at, did he mention expenses for counsel fees in defending any cases?

MR. McKITTRICK. He told me about that case, that Mr. Ira McLaughlin was representing the people who were charged with vote frauds and he had to put up the money for that.

MR. ROBINSON. Did he state how much he had to put up?

MR. McKITTRICK. He said \$35,000.

MR. ROBINSON. I want to get back to this conversation that you had with Binaggio in which you mentioned there was a business proposition discussed. Was there any conversation in that connection with respect to your withdrawing your candidacy at that particular time?

MR. McKITTRICK. No, sir.

MR. HALLEY. Getting back to the conversation at the Jefferson Hotel in January immediately after you had announced your candidacy, was there any discussion between Binaggio and yourself about a contribution to be made to your campaign?

MR. McKITTRICK. No, sir.

MR. ROBINSON. Did you ever have such a conversation with Mr. Binaggio?

MR. McKITTRICK. That he made a contribution to my campaign?

MR. ROBINSON. Yes.

MR. McKITTRICK. No, sir.

Mr. ROBINSON. Was there ever such a discussion?

Mr. McKITTRICK. No, sir; not to my campaign.

Mr. ROBINSON. At no time?

Mr. McKITTRICK. No, sir.

Mr. ROBINSON. Mr. McKittrick, did you ever at any time have a conversation with anyone regarding your withdrawal from the race?

Mr. McKITTRICK. Yes, sir.

Mr. ROBINSON. Would you state with whom you had that conversation and the approximate date?

Mr. McKITTRICK. At this January conversation with Mr. Binaggio at the Jefferson Hotel he said, "I think I am going to have to go with Smith." He said, "I think it is better to go with Smith." He had discussed with me at that meeting about slot machines and bookmaking places, and we just didn't agree. He said, "I will just have to go with Smith." He said, "Some of these fellows that you are relying on, these labor leaders and committee leaders, won't be with you. They will quit you before it is over with."

I said, "I don't think there is any doubt about that, Charlie, and I don't think I can win, but you go ahead with Smith; that is all right with me."

Then subsequent to that, if my memory serves me right, it was sometime in February—

Mr. ROBINSON. 1949?

Mr. McKITTRICK. 1948. Mr. Owen talked to me and he said, "Well, the gang would like to get you out of this race, and they are willing to pay \$35,000."

I just laughed, and I said, "Nobody would pay \$35,000 to get me out of the race."

"No," he said, "I am serious about it. They will."

I said, "Forget it. I have given everybody my word and I am just not interested."

He said, "I am glad to hear you say that," and that ended it.

Mr. ROBINSON. When this conversation took place was anyone else present?

Mr. McKITTRICK. No, sir; just he and I.

Mr. ROBINSON. Did that end the conversation?

Mr. McKITTRICK. Along that line; yes, sir.

Mr. ROBINSON. Did he indicate who the gang was, insofar as you can recall?

Mr. McKITTRICK. No, he didn't mention any names. He just said the gang is willing to give you \$35,000 to get you out of this race.

Mr. ROBINSON. Did you understand what he meant by "the gang"?

Mr. McKITTRICK. My understanding was it was the people who were interested in putting everybody out of business and taking charge of the gambling situation; in other words, "the people," as he termed it, across the river who were associated at that time with his former partner, Mr. Brown.

Mr. ROBINSON. Did he indicate in any way whether the money was coming from Brown?

Mr. McKITTRICK. Subsequently I had another conversation with him, and he said, "They have raised that sum to \$50,000, and Brown said they would put the money right here on the bed."

I said, "I haven't changed my mind about it at all. I don't want anything to do with it."

He said, "You are right about that."

Mr. ROBINSON. Can you fix the time of the subsequent conversation?

Mr. McKITTRICK. To the best of my memory, I would say a couple of weeks after the first conversation. It was sometime in February or the first part of March, right in there somewhere.

Mr. ROBINSON. Do you recall whether or not it was at that time that Brown was associated with the competing company—to Pioneer—across the river?

Mr. McKITTRICK. Oh, yes, he had been for some time.

Mr. ROBINSON. Did you subsequently have any conversation with any one other than those that you have mentioned regarding your withdrawal from the race?

Mr. McKITTRICK. I had several conversations with some of my friends, like Judge Sestric, for one. It seemed to be almost generally known that an effort was being made to get me out of the race.

Mr. ROBINSON. Did you ever at any time have any conversation with Mr. Binaggio about your withdrawal?

Mr. McKITTRICK. Yes, sir.

Mr. ROBINSON. Can you fix the approximate time of that conversation and where it took place?

Mr. McKITTRICK. At the Jefferson Hotel on the Wednesday or Thursday prior to the first Tuesday after the first Monday in April. The reason I remember that so distinctly is because that Tuesday was the last date for filing for office.

Mr. ROBINSON. What part of the Jefferson Hotel was it?

Mr. McKITTRICK. I believe it was on the tenth floor, the ninth or tenth floor.

Mr. ROBINSON. Were there any other people present?

Mr. McKITTRICK. He had a suite of rooms. There were several people coming and going. He and I were in a room alone most of the time.

Mr. ROBINSON. Would you state what that conversation was, if you recall it?

Mr. McKITTRICK. He wanted me to withdraw and file for attorney general, withdraw from the Governor's race and file for attorney general. That is what he wanted me to do. He insisted on it. He talked about it. He discussed it for an hour or more.

Mr. ROBINSON. Can you recall anything more regarding exactly what was said by him?

Mr. McKITTRICK. As a matter of inducement to get me out, you mean?

Mr. ROBINSON. That is right.

Mr. McKITTRICK. He said he had discussed it with Brown and the other fellows and they were willing to pay all my expenses to run.

Mr. ROBINSON. To run for what?

Mr. McKITTRICK. For attorney general. A thousand a month beginning on May 1, and that Smith would agree—

Mr. ROBINSON. Just at that point, did he state how long the thousand dollars a month would run?

Mr. McKITTRICK. He said during my term.

Mr. ROBINSON. Was there any other financial consideration mentioned?

Mr. McKITTRICK. He said that Smith would agree to support me for the Democratic nomination for Senator in 1952 and that they would pay the expenses. If I doubted his good faith in the matter, he would

put up \$25,000 in a bank that I would name to warrant the paying of my expenses for that campaign in 1952.

Mr. ROBINSON. For the United States Senate?

Mr. McKITTRICK. For the United States Senate.

Mr. ROBINSON. Can you recall anything else that was said during this conversation?

Mr. McKITTRICK. I told him I didn't want to run. I said, "Charlie, why do you want me to run for attorney general? I don't want to run."

"Well," he said, "to be just frank about it, there is some discussion about how much heat Smith will take, just how much he will take, and we figure that if you are there you could brace him up and make him take more heat than he would otherwise." He said, "You know he is kind of slippery at times." That was the word, "slippery."

I said, "Well, I couldn't do anything with him, and I don't want to make any deals." I said, "Smith might keep an agreement with you; I don't know. I told Binaggio he may keep deals with you; I don't know, but I do know he wouldn't keep any deals with me." I said, "I think you are making a mistake."

He said, "I have gone too far." He said, "I want you to study this over. You say you won't do it, but I want you to study it over."

I said "I have already studied it over, and I am not going to do it."

The following Saturday he called me on the telephone.

Mr. LEIN. From where?

Mr. McKITTRICK. From Kansas City. He called me up. He said, "I have to make a deal with this other fellow, and I wish you would go to Jefferson City Monday and file for attorney general and withdraw from Governor."

I said, "Charlie, I gave you my answer. I can't do it."

Mr. ROBINSON. Who was the other fellow to whom he referred?

Mr. McKITTRICK. To the present attorney general, Taylor, and he did tell me that Taylor wouldn't run if I filed. How he knew that, I had no idea.

Mr. HOBINSON. Did you have any subsequent conversation to that one with Binaggio?

Mr. McKITTRICK. The next one I had was in May, the first part of May 1948. A newspaperman came to me a few days after the State convention, which they had in the first part of May. My memory is that it was the 4th of May, but I may be wrong about it. He was Ray Wilson, the reporter for the Globe-Democrat. He said, "Is it true that the gamblers offered you \$30,000 to withdraw from the Governor's race?"

I didn't want to answer the question. I tried to talk him out of asking me the question. He said, "Hume Duval, who is the representative of the Globe-Democrat at Jefferson City, and my paper asked me to do it, and I have to ask you."

I said, "Yes, but I won't say whether that sum is right or wrong." The figure was wrong, but I didn't want to say whether it was right or wrong because I didn't want the gamblers to get the idea it was coming from me.

Then in the next issue of the paper Smith made a statement in which he said that it was a fabrication; that there wasn't any truth in it; that nobody had made any such offer to me; that I just made that statement for political reasons. They had also asked the other

candidate a similar question, Mr. Dan Nee, and he made a similar answer. I made no statement and referred to no name whatsoever in my statement, but neither did Mr. Nee, but Smith singled me out as the one that fabricated the story.

Then Charlie called me up on the telephone and asked me. He said, "How far are you going?" I understood him to mean if I was going to tell all I knew, you know, about what happened between him and me.

I said, "That depends on what your candidate, Smith, does." I said, "Charlie, you know I am not lying about this thing, but that is one thing I am not going to take, and you had better tell him. That is one thing I won't take."

He said, "All right, I will tell him."

Whether he did or not I don't know.

Mr. ROBINSON. Did you have any other conversations after that with Binaggio?

Mr. McKITTRICK. Not until after the election, not until after the election.

Mr. ROBINSON. Will you state what the nature of that conversation was, after the election?

Mr. McKITTRICK. The next conversation I had with him was with reference to a beer franchise. It had nothing to do with politics at all.

Mr. HALLEY. I think we would like to have the thing anyhow. Would you state when and where the conversation took place?

Mr. McKITTRICK. He called me up. He was stopping at the Jefferson and asked me to meet him at the Mayfair Hotel. We had lunch together at the Mayfair Hotel, and he joked and discussed the election and a few things. He said, "You are a pretty good friend of Anthony Buford; aren't you?"

I said, "Yes; I am a good friend of his, and always have been."

He said, "That fellow is interfering with my business."

Mr. Buford was general counsel for the Anheuser-Busch people. Mr. Tom Pendergast's son had the franchise with Anheuser-Busch beer in Kansas City for several years, and Charlie wanted to get it away from him. He said he had the deal made, and a man by the name of Carroll who had the power to make these contracts had agreed to it and the deal had all been made and turned over to Charlie's corporation. He had some corporation. He said Buford just raised hell about it and stopped it. He said, "I don't like it a bit."

I said, "I think you have Mr. Buford wrong, Charlie. I don't know a thing about it, but I don't think so."

He was kind of vicious about it, and I tried to calm him down and didn't want him to have that kind of feeling toward Buford. Anyhow, I said, "I will see Buford and let you know tomorrow whether you are right or not."

I did see Buford. I asked him, and Buford did not have anything to do with it. I am confident and sure of that, because Buford told me that and explained it to me. So I went back the next day and saw Charlie, and I said, "I am telling you right now. The fellows who told you that are wrong."

In that connection he mentioned Judge Jones and some other lawyer who had been working on the deal for him with this fellow Carroll. I think I got him reasonably pacified about it. We didn't discuss politics. That was all there was to it. He asked me if I would talk

to Buford and see if I could get him to change his mind or help him, and I said, "No; I am not interested in that."

Mr. ROBINSON. Would you state, Mr. McKittrick, whether or not you at any time ever represented Mr. Binaggio as counsel?

Mr. McKITTRICK. Oh, no. No, no. No, sir. Politically I never paid him a nickel, I never contributed a nickel to him or to his organization, and I never accepted a nickel from him. He supported me in 1944.

Mr. ROBINSON. Before we get to the next conversation with Mr. Binaggio, would you state whether or not during the campaign you had any knowledge of the amount of money that was contributed to the Smith campaign fund?

Mr. McKITTRICK. It was generally understood—all of us fellows, who would meet and everybody would discuss it—that \$100,000 came from the East Side, what they call the Capone crowd. That was the talk and the discussion of the amount of money. I did ask Owen, I said, "I can't understand why these fellows want to pay that much money, \$50,000, to get me out of the way." I said, "They have me beat, I tell you; I know Gully. I have been in this game too long. I haven't a chance, and I am not going to make any effort."

He said, "They figure it is going to cost them \$100,000 if you stay in this race, and if you get out they can get through with half that much money." That was the explanation he gave me.

Mr. ROBINSON. Did you notice at any time during the campaign any appreciable decrease in your support in East St. Louis?

Mr. McKITTRICK. Absolutely. I will give one illustration of that. First, there was a group of labor leaders, six, seven, eight, or nine, who came to my office and asked me to run. The man who headed the machinists, the electrical engineers, and different types. Among them was a fellow by the name of Lawrence Callanan. He was the leader of the steamfitters. He was their business agent. There was a fellow Nick Blassie, who was the head of the butchers' union. They urged me to get in the race. It was at Springfield, and there were several fellows around a table there. They said: "You can't leave us out on the limb. We want you to run." Previous to that, all of these fellows had a meeting with Smith. I still told them to back Smith. I said, "Go on and back him. What difference does it make? I don't want to run." They had a meeting with Smith, and these labor leaders didn't want to do it. They insisted on my running.

Then, after Charlie became very active for Smith, these people began to go with Charlie. Charlie told me frankly that they would, and they did. He didn't miss his guess. He told me Callanan would leave me. He told me Nick Blassie would. And every fellow he mentioned did leave me.

Mr. ROBINSON. Did you ever talk to any of these people—

Mr. McKITTRICK. After they left me?

Mr. ROBINSON. As to why they left you?

Mr. McKITTRICK. No, sir.

Mr. ROBINSON. After the election did you remain on good terms with Binaggio?

Mr. McKITTRICK. Yes, that is right.

Mr. ROBINSON. And apart from this instance that you have just related did you have any further conversations with Binaggio about the gambling situation, and with respect to the inability to open up?

Mr. McKITTRICK. Every time I would see him I would say, "Charlie, how are you getting along?"

He would say, "I am getting along fine."

I said, "Are you and the Governor getting along or not?"

He said, "Yes, we are getting along all right."

I said, "The boys aren't doing so good in St. Louis."

He said, "No, they are not, but I have no complaints. We have some things to straighten out over there. We have some things to straighten out."

Mr. ROBINSON. Did he indicate why they weren't doing so good in East St. Louis?

Mr. McKITTRICK. Yes. He made some reference to the police commissioner, that we might have made a mistake in selecting the chairman of the police commission.

Mr. ROBINSON. Will you state when and where the conversation took place with him regarding the police commission situation in St. Louis?

Mr. McKITTRICK. He made a casual remark when he was up at the hotel—I think that was in February 1948—about the situation, just a casual remark. He said he was going to call Sestric and talk to him about this police matter here.

Mr. ROBINSON. He said it was going to suit them.

Mr. McKITTRICK. It was going to suit them. He stated to the commissioner, in the other room now, and said, "We are going to talk to Sestric." I said, "I am going to get out of here," so I left.

Mr. ROBINSON. Who were the other two commissioners in the other room?

Mr. McKITTRICK. I didn't see them. He just said they were in there. One of them is named Church and the other is a fellow by the name of Ostertag. I didn't see them. He just said they were in there and they were going to talk to Sestric.

Mr. ROBINSON. This conversation took place when?

Mr. McKITTRICK. At the Jefferson Hotel. I don't remember whether it was in January or the first of February.

Mr. ROBINSON. You and Binaggio and Sestric were present?

Mr. McKITTRICK. No, no; Sestric wasn't there. He started to telephone and said he was going to call Sestric up there. I was there.

Mr. ROBINSON. Did he call him?

Mr. McKITTRICK. I talked to him afterward and he said he did.

Mr. ROBINSON. What did he say at that time?

Mr. McKITTRICK. That was a conversation I had with him at Jefferson City.

Mr. ROBINSON. Where in Jefferson City?

Mr. McKITTRICK. Pat Noonan had an apartment in a building adjacent to the Missouri Hotel, second floor. We had quite a conversation there. Among other things, he was discussing the police situation in St. Louis.

Mr. ROBINSON. Was Noonan present at this conversation?

Mr. McKITTRICK. No. Noonan and this fellow Nick Penna were in the other room adjacent. The door was open and they were sitting there playing cards, about like somebody sitting in there.

Mr. ROBINSON. What was the conversation?

Mr. McKITTRICK. With reference to this police situation he said Sestric had promised him that the chairman would withdraw, would resign. He said then Sestric reported to him that he went to see the

Governor and offered to resign, and the Governor, Smith, refused to accept the resignation.

Mr. ROBINSON. Who was the commissioner?

Mr. McKITTRICK. Holzhausen.

Mr. KLEIN. Is that the commissioner?

Mr. McKITTRICK. Yes. Then he went on to tell me about an instance at the time that Holzhausen was appointed by the Governor. I went to see the Governor on the recommendation of Sestric because I didn't know him. He was appointed. He said, "I had a meeting with Sestric and Holzhausen, and Mr. Holzhausen departed right here in this room." He said, "Mr. Holzhausen called me back in this other room and said he wanted to talk to me. During the conversation he said the Post Dispatch told him he had to see Binaggio to get the green light." He said, "I didn't like that and told him so." He said, "I called Sestric in there and I told Sestric this fellow was too damned Dutch to be police commissioner." He said, "I talked to his partner about it, and they said, well, they would get it straightened out."

Mr. ROBINSON. In other words, Sestric had told Binaggio he would get it straightened out.

Mr. McKITTRICK. Yes; that is what they said.

Mr. ROBINSON. That was what Binaggio told you?

Mr. McKITTRICK. That is what Binaggio told me. I talked to Sestric about it.

Mr. ROBINSON. Afterward?

Mr. McKITTRICK. Yes. I told him, I said, "Charlie is trying to accuse you of being a liar," and I said, "I don't believe you are. I think it is Smith." Sestric told me practically the same thing that Charlie did; that he did go down there to get Smith to accept the resignation. He said he wouldn't do it; he didn't want to do it then, or something. Anyhow, he didn't accept it at that time.

Judge Sestric said, "We told him to have his lawyer there to write up any resignation he wanted, in any form he wanted, and I reported that to Charlie."

I said, "Smith is lying to you, and not Sestric."

He said, "Get that resignation and I will find out who is lying."

I told Sestric that. I reported that to Sestric and Sestric said, "I will let you know next week." The next week I called him over the telephone or he called me. Anyhow we talked over the telephone. He said, "I tried to get in touch with the Governor but couldn't make an appointment with him until after the election. There was a gas-tax election which was going to take place in April. Then Charlie called me on Saturday prior to that election, and I told him what Sestric said.

He said, "I don't give a damn if he never sees the Governor, that isn't what I want. He knows what I want. All I want is the resignation. I will deliver it to the Governor and I will assure him that the Governor will accept it."

He said, "I have doubts that Sestric is going to get it."

So in a few days after that he was killed.

Mr. KLEIN. Did he indicate any urgency on his part for getting that resignation?

Mr. McKITTRICK. He did say twice during my conversation with him about it, he said, "I am on the spot about this." He said, "I would like to get it."

Mr. KLEIN. What did you think he meant by that expression?

Mr. McKITTRICK. It just occurred to me at the time what he meant was he promised somebody he would get it and he wanted to try to deliver what he promised to do. He was just trying to get out from a bad situation. I will say it never occurred to me that he meant it was likely any physical harm would come to him. I didn't take it that way at the time. It didn't occur to me. I never thought of it in that way.

Mr. ROBINSON. Your impression from what he stated was that he was in a difficult position?

Mr. McKITTRICK. That is right.

Mr. ROBINSON. Because he was unable to get the green light for gambling interests to open up. Is that right?

Mr. McKITTRICK. Yes; and they knew he had gone to the front for this fellow and he wanted—and it seemed likely they thought he was to blame for it, when he said he was relying on Sestric.

Mr. ROBINSON. He had gone to the front for which fellow?

Mr. McKITTRICK. Holzhausen. He said he had talked to Smith about him. You see, there was a good deal of newspaper publicity about that appointment. Smith made statements concerning the appointment. This man Holzhausen was somebody that nobody ever heard of or ever thought about being commissioner. Smith was asked who suggested him. Smith first said a lumberman in Jefferson City saw him on the street and told him about it. Then he said some other man told him about him. There was so much controversy and discussion and publicity about that appointment.

Mr. KLEIN. Actually it was Sestric who made the suggestion, was it not?

Mr. McKITTRICK. Yes, sir.

Mr. KLEIN. Do you know that of your own knowledge? Sestric told you that?

Mr. McKITTRICK. Sestric said he was down there with Charlie.

Mr. KLEIN. And Sestric went with Binaggio when Holzhausen's name was presented to the Governor for appointment?

Mr. McKITTRICK. Whether they were together I don't know. They were in town and after the appointment had been made they were together in Charlie's apartment.

Mr. KLEIN. Did Binaggio ever tell you that he had suggested to the Governor that Holzhausen be appointed?

Mr. McKITTRICK. Yes, sir; he told me he did.

Mr. KLEIN. He told you he recommended it?

Mr. McKITTRICK. That is right.

Mr. KLEIN. Did he tell you why he recommended it?

Mr. McKITTRICK. He said upon the suggestion and recommendation of Sestric. He said, "You know I like Sestric and I always did like him. He seemed to be a fellow who was absolutely dependable."

Mr. KLEIN. Do you know Sestric's first name?

Mr. McKITTRICK. Anthony. They call him Tony.

Mr. KLEIN. What business is he in?

Mr. McKITTRICK. He is a magistrate. That is a judgeship there, you know, magistrate judge, who has jurisdiction over certain—

Mr. KLEIN. Police cases?

Mr. McKITTRICK. All kinds of cases, not police cases; no, sir; civil cases. Then he is the business agent for the newsboys, I believe.

Mr. ROBINSON. Did you ever talk to—

Mr. McKITTRICK. And committeeman, and a good one.

Mr. ROBINSON. Had you ever talked to Sestric about your conversation with Binaggio in which Binaggio said that he, Binaggio, was on the spot?

Mr. McKITTRICK. After Binaggio told me that, I told Sestric.

Mr. ROBINSON. Had Binaggio ever indicated that Sestric was on the spot also?

Mr. McKITTRICK. He referred to that twice during the conversation, and the second time he said, "I am on the spot and so is Sestric."

Mr. ROBINSON. Was this last conversation at the Jefferson City place?

Mr. McKITTRICK. Yes, sir.

Mr. ROBINSON. What was the date of that again?

Mr. McKITTRICK. That was in March.

Mr. ROBINSON. What was the date of the last conversation you had with Binaggio? Can you recall that?

Mr. McKITTRICK. That was on a Saturday on the phone previous to the election, the gas-tax election. This other conversation was the week prior to the meeting of the Northwest Newspaper Association at St. Joseph, Mo. I talked to him on Thursday or Friday, and that meeting there was on the following Wednesday, whatever date that was. I don't remember when it was. It was in March.

Mr. ROBINSON. Did you ever talk yourself with Holzhausen?

Mr. McKITTRICK. No; I did not. I do not know him.

Mr. ROBINSON. Did you ever talk to Governor Smith about Holzhausen?

Mr. McKITTRICK. No, sir. I haven't talked to him at all. The last time I talked to him I made a speech at Columbia, in which I told him and everybody present that he was being supported by the gambling situation.

(Discussion off the record.)

Mr. ROBINSON. In your conversations at any time with Binaggio did he ever indicate that he was being pressed in any way by the gambling interests?

Mr. McKITTRICK. No; he didn't say that, but I thought it was the political interests. You see, there was a good deal of controversy about that police board situation down there in St. Louis. Senator Hillman and Senator Hogan were all mixed up in it, trying to get control of it. There was a great deal of interest in it. The newspapers were full of that down there for days and weeks.

Mr. ROBINSON. In your conversations with Binaggio did he ever indicate that the gamblers were complaining because they had not had an opportunity to get their money back that they had contributed to the campaign?

Mr. McKITTRICK. No; he didn't discuss that with me at all.

Mr. ROBINSON. Do you know whether or not Noonan saw the Governor about Holzhausen?

Mr. McKITTRICK. No; I don't.

Mr. ROBINSON. Could you state what Noonan's position is?

Mr. McKITTRICK. What does he do?

Mr. ROBINSON. What does he do?

Mr. McKITTRICK. I don't know of his doing anything except he was associated with Binaggio and seemed to be just an agent for him all the time. He would go with him places, closely associated with him.

Mr. ROBINSON. Do you have any information with respect to Binaggio's affiliation or connection with the Mafia organization?

Mr. McKITTRICK. No, sir; I don't. I don't know anything about that. I do not.

Mr. ROBINSON. Have you heard from any other person regarding his affiliation with that organization?

Mr. McKITTRICK. Since he died, I had a close friend of mine tell me that he belonged and he was surprised to know about it.

Mr. HALLEY. Who told you that?

Mr. McKITTRICK. A fellow named Bash.

Mr. HALLEY. Do you know his full name?

Mr. McKITTRICK. Tom Bash.

Mr. KLEIN. He is the former chief of police?

Mr. McKITTRICK. No, sir. He used to be sheriff of Jackson County, a very high type man. He doesn't live in Jackson County now. He is in Kansas City.

Mr. KLEIN. Did Mr. Bash ever tell you anything about the affiliation of Gargotta with the Mafia?

Mr. McKITTRICK. No, sir. Gargotta started to shoot Bash, and Bash killed a couple of the fellows with Gargotta and then Gargotta fell to the ground and threw up his hands and asked Bash not to shoot him. Bash had plenty of trouble with him.

Mr. ROBINSON. Do you know anything about the contribution of William Molasky to the campaign fund?

Mr. McKITTRICK. No, sir.

Mr. ROBINSON. You know nothing about the circumstances under which he gave that contribution?

Mr. McKITTRICK. No, sir.

Mr. KLEIN. Let's review a few things and fill in.

You first came to represent Mr. Owen in a proposed suit that he wanted to bring against the Bell Telephone Co.

Mr. McKITTRICK. Yes, sir. During his controversy with the East Side people, the Bell Telephone people, without any notice one morning sent workmen down and took out all his telephones.

Mr. KLEIN. Which telephones were they?

Mr. McKITTRICK. Bell telephones.

Mr. KLEIN. I mean in whose establishment.

Mr. McKITTRICK. Owen's office in the Fullerton Building.

Mr. KLEIN. Pioneer News?

Mr. McKITTRICK. Pioneer News.

He was mad about it. He called me and asked me to come down there. He told me about it. I said, "Who authorized it?"

He said, "I don't know."

I said, "Call them up." He called them up and obtained the information that the governor ordered it done. Then he wanted to bring a suit against the company and air the whole thing. He employed me and a man by the name of Frank Matthews, but we didn't bring the suit. We didn't bring it.

Mr. KLEIN. Why didn't you bring it?

Mr. McKITTRICK. Well, we didn't think it advisable. It would create a lot of trouble for him, and we finally talked him out of it.

Mr. KLEIN. Which Governor was that?

Mr. McKITTRICK. Governor Donnelly.

Mr. KLEIN. Governor Donnelly was the predecessor to the present governor; is that right?

Mr. McKITTRICK. That is right.

Mr. KLEIN. How did the phones get back there?

Mr. McKITTRICK. I think they were put back when they brought a suit subsequently, here last year, Mr. Morris Shenker brought the suit, an injunction suit, and the circuit judge there ordered them put back.

Mr. KLEIN. That was after Mr. Owen had died?

Mr. McKITTRICK. Yes.

Mr. KLEIN. Who did Mr. Shenker represent?

Mr. McKITTRICK. Pioneer News.

Mr. KLEIN. Do you know whether Mr. Shenker is the same Mr. Shenker who is attorney for Mr. Molasky?

Mr. McKITTRICK. Yes, sir. Morris Shenker. That case is now pending in the supreme court, I understand. They are still operating.

Mr. KLEIN. They are still operating?

Mr. McKITTRICK. Yes, sir.

Mr. KLEIN. In the supreme court who is the appellant?

Mr. McKITTRICK. Pioneer.

Mr. KLEIN. Pioneer is the appellant?

Mr. McKITTRICK. Yes, sir.

Mr. KLEIN. They lost in the lower court?

Mr. McKITTRICK. They brought a writ of prohibition attacking the jurisdiction of the circuit court to issue an injunction, and the Missouri Supreme Court sustained the State's petition, in which it held that the circuit judge exceeded his jurisdiction in entering the order to force the company, the Bell Co., to put back the phones.

Mr. KLEIN. You have testified that you represented Mrs. Owen in the sale of that stock and that you had previously represented Mr. Owen prior to his death.

Mr. McKITTRICK. Yes; that is right.

Mr. KLEIN. Do you know anything about a meeting of some representatives of presumably the Capone group in Chicago who came to St. Louis in 1947 in an effort to buy both of them out?

Mr. McKITTRICK. To buy both?

Mr. KLEIN. To buy both Owen and Brown out?

Mr. McKITTRICK. I think that was the beginning of the whole trouble.

Mr. KLEIN. That was the beginning of the thing?

Mr. McKITTRICK. Yes; that was the beginning of it.

Mr. KLEIN. Brown went along, and Owen didn't?

Mr. McKITTRICK. That is right.

Mr. KLEIN. Did Owen ever tell you about a meeting that was held at Brown's home in connection with that effort to get both of them out of the business?

Mr. McKITTRICK. No, no; he just told me these parties came up to his office and told him that is what they wanted, and he mentioned these three people.

Mr. KLEIN. He mentioned Worthman?

Mr. McKITTRICK. Yes, sir.

Mr. KLEIN. Did he mention Red Smith?

Mr. McKITTRICK. Was it Smith?

Mr. KLEIN. Did he mention Ralph O'Hara?

Mr. McKITTRICK. Not in that conversation.

Mr. KLEIN. But he refused to get out. When Mrs. Owen told you she wanted to dispose of her stock in Pioneer, did she put any value on it?

Mr. McKITTRICK. No. She said she would like to get \$40,000 for it. As I recall it, that is what I first asked for it, \$40,000, and Mr. Brown said they wouldn't pay that. He said Molasky was against it.

Mr. KLEIN. Molasky was against it?

Mr. McKITTRICK. Yes; against paying that much money.

Mr. KLEIN. Did he say why Molasky was against it when Brown's son was buying the stock ostensibly?

Mr. McKITTRICK. He didn't say. He just said Molasky was opposed to paying that much money for it.

Mr. KLEIN. Did you ask him what Molasky had to do with the deal?

Mr. McKITTRICK. No, I didn't. I didn't ask him. Of course Brown just said he was going to put his son in there. I didn't ask any question about it. I just assumed that maybe Molasky or some of the rest of them were buying it.

Mr. KLEIN. But it was your impression during this whole negotiation when they mentioned young Bill Brown that he was only a straw party?

Mr. McKITTRICK. That is my impression: yes, sir.

Mr. KLEIN. And actually he wasn't either putting up the money himself?

Mr. McKITTRICK. He was just kind of working for them.

Mr. KLEIN. He was the straw man?

Mr. McKITTRICK. Yes, sir.

Mr. KLEIN. And after he took title to the stock he would not be the actual owner anyway?

Mr. McKITTRICK. That is the impression I had.

Mr. KLEIN. That is what I am trying to establish.

Mr. McKITTRICK. Yes. Mr. Brown came to my office to see if I had a copy of the petition that we had prepared for Mr. Owen with reference to this injunction, and then we discussed the sale and several things during that time.

Mr. KLEIN. Was it Mr. Brown or Mr. Shenker?

Mr. McKITTRICK. Mr. Brown at that time. Then, subsequent to that, I talked to Mr. Shenker several times with reference to the sale price.

Mr. KLEIN. Who did the negotiating?

Mr. McKITTRICK. With reference to price?

Mr. KLEIN. Yes.

Mr. McKITTRICK. I did.

Mr. KLEIN. And on the other side?

Mr. McKITTRICK. It got down to Mr. Shenker.

Mr. KLEIN. The final agreement on price was between you and Shenker?

Mr. McKITTRICK. Yes.

Mr. KLEIN. Can you tell us why you advised Mrs. Owen to take \$25,000 when her original asking price was \$40,000?

Mr. McKITTRICK. We felt we had better take what we could get. Brown told me that.

Mr. KLEIN. Brown told you you had better take what you could get?

Mr. McKITTRICK. Yes; and he thought he could get that much money for it.

Mr. KLEIN. Was there any implied threat that if you didn't take that, you wouldn't get anything?

Mr. McKITTRICK. They controlled it, and it didn't pay any dividends. You know it was in bad shape.

Mr. KLEIN. Was that his implication?

Mr. McKITTRICK. Yes. He apparently was trying to help her get that much money.

Mr. KLEIN. Getting back to the conversation with Binaggio in which gambling was discussed, did Binaggio ever tell you of an arrangement that the gamblers had to divide Kansas City or St. Louis into geographical areas which would be under certain domination if they were able to control the Governor?

Mr. McKITTRICK. No, sir. I never discussed that with Binaggio.

Mr. KLEIN. Did you ever discuss it with anybody? Did you ever discuss it with Owen?

Mr. McKITTRICK. No. Owen didn't know anything about it I am sure.

Mr. KLEIN. Wasn't there an understanding that Kansas City was to be divided into four parts for gambling purposes?

Mr. McKITTRICK. I heard that St. Louis was to be divided.

Mr. KLEIN. It was St. Louis?

Mr. McKITTRICK. Into four districts, they called them. If you ask me who in the world told me that, I don't know, but I have heard that two or three different times when people were discussing it.

Mr. KLEIN. But you don't recall Binaggio's having participated in that discussion?

Mr. McKITTRICK. No; I am sure he didn't. I am sure he didn't.

Mr. KLEIN. In any of these conversations at which you were offered either another position or money or the promise of candidacy for the United States Senate in 1952 was there ever anyone else present?

Mr. McKITTRICK. Yes, sir; there was one time.

Mr. KLEIN. Will you tell us about that occasion?

Mr. McKITTRICK. Yes; I will tell you because there is nothing else for me to do but to tell you. I will say I hate to.

Mr. KLEIN. I have no objection if you enter on the record your reluctance to make this statement.

Mr. McKITTRICK. It is more than reluctance. I really hate to because this man—

Mr. KLEIN. You can state it as an emphatic reluctance.

Mr. McKITTRICK. It is because this man just happened to be an innocent bystander, you might say. He was a close friend to Owen. I wasn't acquainted with him. I just knew of him. Owen said to me, he said, "Here is a man that you can always trust and depend on. What he tells you, it is that way. If you ever want my dealings any way with anybody who is on the square, this fellow will tell you." Then he went on and started out about this money business. He said they raised it to \$50,000. That fellow just happened to be there visiting him. In fact, I had seen him there once before when I was there visiting Owen. I think he saw him frequently. He just happened to be there. I learned a little more about him after he left. His name was Herb Lee.

Mr. KLEIN. Herbert Lee?

Mr. McKITTRICK. Yes, sir.

Mr. KLEIN. Can you identify him further?

Mr. McKITTRICK. He is a brother of a committeewoman of one of the wards there. She is a very active politician. Mr. Lee then had a business near the Jefferson Hotel, a liquor business. I was in there after I met him that day. He has a nice place there on Twelfth Street two or three doors from the Jefferson Hotel. He just put that in in 1948. I don't know whether he is still in that business or not. I don't know now. I haven't seen him for some time.

Mr. KLEIN. But he was present on the occasion when Owen told you that the offer of the gamblers had been raised from \$35,000 to \$50,000?

Mr. McKITTRICK. I don't think he said from \$35,000. He said it had been raised to \$50,000.

Mr. KLEIN. Yes; but we understand from your testimony that the previous offer had been \$35,000.

Mr. McKITTRICK. That is right.

I talked to Mr. Lee subsequently because then it developed that he and Mr. Owen were interested in an insurance company, Mr. Lee and Mr. Owen, and after Mr. Owen's death I have been trying to sell Mrs. Owen's interest in that insurance company.

Mr. KLEIN. To Mr. Lee?

Mr. McKITTRICK. Yes, sir.

Mr. KLEIN. We have tried to establish whether Mr. Binaggio conveyed to you any sense of urgency for having Mr. Holzhausen either removed or his attitude against gambling changed. Did Mr. Binaggio ever convey to you the financial reasons why he had to have, as he said, a governor?

(Discussion off the record.)

(The pending question was read by the reporter.)

Mr. McKITTRICK. No; if I get that question clear. Of course, in the beginning all our conversation was that he wanted a Governor so he could operate his gambling establishment. That is what he wanted me to do, to agree to, I know.

Mr. KLEIN. He wanted you to agree to let him run wide open if you were elected Governor?

Mr. McKITTRICK. Yes, sir. That is what we discussed, certainly. Certainly, I would say, "I can't do it." He said, "I have to have a governor." He said, "You know I can't go on and pay these expenses and carry on; either that or I am going to quit politics entirely."

Mr. KLEIN. When he told you that he had thrown his lot in with Governor Smith, did he indicate to you that Governor Smith had acceded to his request where you would not?

Mr. McKITTRICK. He didn't say about whether he had acceded to his request. He said, "I have made a deal with Smith."

I said, "You will regret it because he won't keep his agreements."

Mr. KLEIN. And those were his words, "I have made a deal with Smith"?

Mr. McKITTRICK. That is it. He said, "I am making a deal with Smith."

I said, "You are going to regret it."

He said, "I am going to make the deal" or "I have made the deal." Anyhow, I knew he was going to make the deal, whether he had or

was going to make it or could make it. I knew that was what he would do.

Mr. KLEIN. By the deal you took him to mean that gambling would be permitted?

Mr. McKITTRICK. That is right. There is no question about it. That is what he thought and that is what I thought.

Mr. KLEIN. I know you don't have with you the photostatic copy or any other detailed information about that \$25,000 check that passed from William Brown to Mrs. Owen, but can we ask you to get for us the name of the bank on which it was drawn, and if you can get the exact date of the transaction so that we can follow the check; would you do so?

Mr. McKITTRICK. Yes, sir; I think I can get that. I think Mrs. Owen would have that information, and I know she would give it to me.

Mr. KLEIN. Will you let us have it by mail?

Mr. McKITTRICK. Yes, sir.

Mr. KLEIN. One last question: Can you give us the names of any individuals who were closely affiliated either in business or by friendship with Charles Binaggio who could throw further light on this situation? You have mentioned one Pat Noonan as being closely affiliated with him. Is there anyone else that you think of?

Mr. McKITTRICK. I knew who the political associations were in Kansas City. A fellow by the name of Clark, a fellow by the name of McKissick.

Mr. KLEIN. General, do you recall their first names as well? It would help us if we could have them.

Mr. McKITTRICK. No, I can't. Maybe I will and I will call you. Yes; Henry McKissick.

Mr. KLEIN. What business is he in?

Mr. McKITTRICK. He had gone into this insurance business. He used to be in the saloon business. After Smith was elected then he went out of it, sold that, and when they organized this insurance business, Charlie told me he was associated in that. Clark was former assessor in the county.

Mr. KLEIN. Former city assessor?

Mr. McKITTRICK. County assessor of Jackson County, Kansas City.

Mr. KLEIN. How about Binaggio's brother?

Mr. McKITTRICK. I don't think he had anything to do with any of it. I never heard his name mentioned.

Mr. KLEIN. He was never associated with Charles Binaggio's activities?

Mr. McKITTRICK. I don't think so. I never heard of him being connected with it.

Mr. Purdome was another close political ally of Charlie's. He is the present sheriff. He is interested in Clark and Purdome. That was two of the fellows about that grand jury, Federal grand jury.

Mr. ROBINSON. General, did you have any conversations with Binaggio in which the subject of the vote-fraud situation in Kansas City was discussed?

Mr. McKITTRICK. Oh, yes. He discussed that openly at the time it was going on and afterward.

Mr. ROBINSON. To the best of your recollection, what were those conversations?

Mr. McKITTRICK. The last time I talked with him was the time I had that conversation at Jefferson City in Pat Noonan's apartment. We discussed the election, the senatorial election, and all that. He was going back over past political history, and he brought up that question of the vote fraud. He said, "I went out and supported the candidates and then they brought the FBI into Kansas City. Of course it was useless to bring them in because everybody knew how they carried that election. They voted them from the grave, England, and France." I remember his mentioning those two countries very well, and he laughed.

Mr. ROBINSON. What did he mean by that? Would you elaborate on that? Voted them how?

Mr. McKITTRICK. Fraudulently. People who weren't there, they voted them just the same and counted their vote just the same, who actually didn't vote. He said, "I put in every vote I possibly could get in the box." Surely he did.

Mr. KLEIN. Is this the election in which you were candidate?

Mr. McKITTRICK. That was in 1946. You see, they had a big election up there in 1946. The President wanted a man by the name of Slaughter defeated for Congress. They ran a man by the name of Axtel against him. Charlie went with Axtel, and that nominated Axtel. Everybody knew he would either nominate or he could either nominate or defeat Axtel, and he nominated him. Then in the general election in the Democratic district, Charlie said, "Notwithstanding that it was a Democratic district, that Truman was for him, with all the fraudulent votes I put in the box, I couldn't win. We still got beat about 5,000 votes." He said, "That is what will happen again." He said, "I don't want to have anything to do with it." He was discussing that in connection with the present senatorial race coming up.

That is the deal that cost him the \$35,000 to get him out of it, you see. The FBI came in.

Mr. KLEIN. The total cost was to have been \$45,000.

Mr. McKITTRICK. I don't know what the total cost was, but that was what he was paying Ira McLaughlin.

Mr. KLEIN. I mean the total cost for counsel fees was to have been \$45,000, of which Binaggio told you he had to put up \$35,000.

Mr. McKITTRICK. No. I understood him to say he had to pay McLaughlin \$35,000. Jim Pendergast was to put up \$10,000 of the \$35,000.

Mr. KLEIN. I see.

Mr. McKITTRICK. Charlie had been down to New Orleans. He and his associates stopped there and discussed it. He intended to stay another day longer in St. Louis, and he said "I have just got a telephone call that Pendergast hasn't come up with his \$10,000 and this case is going to go to trial and McLaughlin won't go to trial, he is going to get out of it, unless we put up the other money." He said, "I have to go over there and put up the other \$10,000."

Mr. KLEIN. When was that?

Mr. McKITTRICK. I could look up the date of that trial. It was a couple of days before they actually went to trial.

Mr. KLEIN. Can you give us an approximate date?

Mr. McKITTRICK. I can find out the date of that trial, but I can't remember it.

Mr. ROBINSON. Who was McLaughlin defending?

Mr. McKITTRICK. The people who were charged with vote frauds; Henry McKissick was one of them.

Mr. KLEIN. Is he the same McKissick who was engaged in the insurance business with Charles Binaggio?

Mr. McKITTRICK. Yes, the same fellow. He was one of the political leaders there.

Mr. ROBINSON. Did you ever discuss with Binaggio this destruction of the ballots?

Mr. McKITTRICK. No. We just laughed about it. We wondered how the FBI was going to get along, just laughed about it, joked about it. There wasn't any serious discussion about it.

Mr. KLEIN. Did Binaggio joke about it?

Mr. McKITTRICK. Yes.

Mr. ROBINSON. How did he joke about it?

Mr. McKITTRICK. Well, he would tell about the Army they would have up there looking around, just kidding about it, you know, just one word would bring on another. There wasn't anything serious about it, about bombing the place, you know, getting into the sheriff's office. And everybody joked about it.

Mr. KLEIN. General, you have mentioned Lawrence Callanan, who you said was an officer of the steamfitters union in St. Louis. Is that correct?

Mr. McKITTRICK. Yes, sir.

Mr. KLEIN. He is still such an officer?

Mr. McKITTRICK. Yes, sir; business agent.

Mr. KLEIN. He originally promised you the political support of his union and subsequently declined it?

Mr. McKITTRICK. He was with the group that came to see me to ask me to run.

Mr. KLEIN. Did that same group promise you financial support?

Mr. McKITTRICK. No, there wasn't anything discussed about financial support.

Mr. KLEIN. Do you know whether that group of union leaders gave any financial support to Governor Smith's campaign?

Mr. McKITTRICK. Well, yes; it was generally publicized and discussed that the steamfitters, that Callanan did.

Mr. KLEIN. Did Callanan ever tell you that they had raised any substantial support for Governor Smith?

Mr. McKITTRICK. Did he tell me that? No.

Mr. KLEIN. Where did you get your information on it?

Mr. McKITTRICK. That was in the newspapers that he said so.

Mr. KLEIN. He was openly quoted?

Mr. McKITTRICK. Yes, sir.

Mr. KLEIN. Do you know how much they raised for Governor Smith?

Mr. McKITTRICK. No; I don't remember that.

Mr. ROBINSON. I would like to ask a question in that connection. I understand you to say that Callanan originally pledged his support to you.

Mr. McKITTRICK. He came and asked me to run, with a group of fellows.

Mr. ROBINSON. Did he ever discuss with you subsequently the fact that he would have to withdraw his support from you?

Mr. McKITTRICK. No, he did not. I don't know why he didn't, but he didn't.

Mr. KLEIN. In the general discussion in St. Louis about the financial support of the steam fitters union do you know of any refund to the steam fitters of funds that they raised for the Smith campaign?

Mr. McKITTRICK. No, sir.

Mr. KLEIN. You don't know that?

Mr. McKITTRICK. No.

Mr. KLEIN. You say you haven't spoken to Callanan about it since?

Mr. McKITTRICK. No, sir.

Mr. KLEIN. General, Callanan was at one time convicted of an offense and served a prison sentence?

Mr. McKITTRICK. That is publicly reported; yes, sir. I didn't examine the record, but I take it to be true.

Mr. KLEIN. Do you know the nature of the crime for which he was sentenced?

Mr. McKITTRICK. No; I never did try to find out.

Mr. KLEIN. Do you know how long ago it was?

Mr. McKITTRICK. No, sir. I didn't know that until this gambling contribution matter came up.

Mr. KLEIN. It has been publicly reported that Mr. Shenker, attorney for William Molasky, gave a \$2,000 contribution to the campaign fund of Governor Smith. Do you know whether there was any particular reason for this gift?

Mr. McKITTRICK. Of Mr. Shenker?

Mr. KLEIN. No; Molasky.

Mr. McKITTRICK. You see, a governor has a lot to do with reference to the telephone system there, their business there. Donelly ordered the phone company to take out the phones. If they put them back and the Governor let them go, there wouldn't be anything said about it. It was pretty important to them. The Governor had ideas about such things. It is my opinion that when Mr. Molasky put in his money, he didn't expect to be throwing it away because he is a pretty good businessman.

Mr. KLEIN. Did Molasky ever offer any funds toward your campaign?

Mr. McKITTRICK. No.

Mr. KLEIN. You never got any?

Mr. McKITTRICK. No, in no campaign, and I made four.

Mr. KLEIN. Did Mr. Binaggio ever tell you that the reason why Mr. Molasky made that \$2,000 contribution was because he wanted a voice in the naming of the St. Louis Police Board?

Mr. McKITTRICK. No; I never discussed that Molasky contribution with anyone.

Mr. KLEIN. Binaggio never mentioned it?

Mr. McKITTRICK. No.

Mr. KLEIN. I think that is all I have.

Mr. ROBINSON. General, did you ever have any discussions with Mr. Gargotta—

Mr. McKITTRICK. Oh, no.

Mr. ROBINSON. In connection with your running?

Mr. McKITTRICK. Gargotta? No, no. I sent him to the penitentiary one time, and at the time he went to the penitentiary I was the prosecutor.

(Discussion off the record.)

Mr. ROBINSON. General, would you state why you did not accept the original offer made by Mr. Owen, of \$35,000, subsequently raised to \$50,000, and the offer made by Binaggio of a guaranty of \$25,000 for campaign expenses plus a \$1,000 a month payment up to the time of the termination of your position as attorney general, if elected?

Mr. McKITTRICK. I didn't accept the offer to withdraw from the race for the sole reason that I did not want to be under any obligation of any kind or character to that group who I understood was paying the money. I didn't accept Mr. Binaggio's proposition for the reason that I did not want to be under obligation to him or to anyone else as to my future conduct in case I was elected, and I thought at the time I could have been elected. To accept their money would have put me in the position of either doing what they told me to do or of double-crossing them. I think as little of a fellow who would double-cross a gambler as a gambler himself. I never did and I just couldn't represent conflicting interests. I knew what his interest was, which was against the public interest, and in many respects against the law, and I couldn't do it.

Mr. ROBINSON. Had you ever had a similar type proposition made to you during your political career?

Mr. McKITTRICK. Oh, surely.

Mr. ROBINSON. By the gambling people?

Mr. McKITTRICK. By the slot-machine people.

Mr. ROBINSON. When was that?

Mr. McKITTRICK. What year?

Mr. ROBINSON. What year.

Mr. McKITTRICK. Stark was Governor. He was elected governor in 1936 to 1940. It must have been around 1938 or 1939.

Mr. ROBINSON. What office were you running for at that time?

Mr. McKITTRICK. I was attorney general, and I was running for re-election. There were a lot of slot machines all over the State and especially in Jefferson City. I called in the prosecuting attorney of Jefferson City and asked him to get rid of them, to get them out of there. He told me to go to hell. So I brought a suit against him to put him out of office. I did put him out of office and put the sheriff of Jackson County out of office, and the prosecuting attorney of Jackson County out of office. We got rid of the slot machines by that method, and that was the only way to get rid of them, too. Then I had some insurance deals.

Mr. ROBINSON. Was there any proposition made to you to lay off the slot-machine operators?

Mr. McKITTRICK. Oh, surely. That was a big business, a tremendous business. I didn't know it was such a big business.

Mr. ROBINSON. Who made the proposition?

Mr. McKITTRICK. One of their agents.

Mr. ROBINSON. Was the agent from St. Louis?

Mr. McKITTRICK. No. He was from Jefferson City. I don't know what became of that fellow now.

Mr. ROBINSON. Were they connected in any way with the existing gambling interests in St. Louis?

Mr. McKITTRICK. I think not, not to my knowledge.

Mr. ROBINSON. Were they connected in any way with, to your knowledge, the gambling interests in other cities outside of the State of Missouri?

Mr. McKITTRICK. That I don't know. When I had the investigation in Kansas City, it must have been 1937 or 1938, I learned there during that investigation that the slot-machine business was divided up into districts and was a very lucrative business. That is when I began to get interested in how to get rid of it.

Mr. ROBINSON. What was the proposition that was made to you by them?

Mr. McKITTRICK. They wanted to get rid of that lawsuit, you know. They wanted to get rid of that lawsuit. If I would withdraw that lawsuit I could name my sum.

Mr. KLEIN. They didn't name a specific price?

Mr. McKITTRICK. No; they let me name it.

Mr. KLEIN. They let you write your own ticket.

Mr. McKITTRICK. There wasn't any chance. I wanted to go through with it. I wanted to see what the court would say.

Mr. KLEIN. General, you have been in public life as the attorney general of the State of Missouri for 12 years?

Mr. McKITTRICK. Yes, sir.

Mr. KLEIN. Would I be invading your privacy if I were to ask you, are you a well-to-do man?

Mr. McKITTRICK. No, sir. I had the same fight with bank night. A fellow from Milwaukee, an attorney from Kansas City, a good friend of Pendergast. We had a terrific fight over that. Charlie knew that. He knew just what you asked me. He knew that.

Mr. KLEIN. You are not what you would consider a well-to-do man?

Mr. McKITTRICK. No, sir; I don't think so.

Mr. ROBINSON. Would you care to comment, General, on what increase has taken place during your political career in the affiliation between the gambling interests and politics in your State and from what date does it stem, approximately?

Mr. McKITTRICK. I think at first Mr. Pendergast was the dominant figure. At that time it was all Kansas City. We weren't molested. Mr. Tom Pendergast supported me in 1932. In 1936 I had no opposition. In 1940 he supported one of my opponents for office of attorney general. In 1944 the Pendergast machine supported Senator Clark. All that time there wasn't any gambling interests connected in any direct way with any of the public offices. The first time it really got prominent was in this race in 1948, and that is exactly the thing that Owen—that was one of the reasons he was definitely and determined against it. He said it would cause everybody trouble and it was a great mistake, and we ought to keep them out of Missouri.

Mr. ROBINSON. Mr. Owen himself was active in politics?

Mr. McKITTRICK. Yes, sir; very active, very active. He took a good deal of interest in politics. He had a lot of political friends.

Mr. ROBINSON. You don't classify Mr. Owen as being in the gambling group?

Mr. McKITTRICK. Not in that gambling group; no, sir. He never was connected with the Capone group. I don't think that for 1 second.

Mr. ROBINSON. You are making a distinction between the Capone group—

Mr. McKITTRICK. If you want to call that news business he was in gambling; of course everybody knew he was in that. Everybody knew that. He conducted, operated, and was the general manager and controller of that Pioneer News which furnished information to

bookies. He absolutely had that. There is no question about that, I knew it, and everybody else knew it.

Mr. ROBINSON. Referring to the gambling interests and their connection with the political situation in Missouri, you are relating the gambling group to an outside group?

Mr. McKITTRICK. That is what I mean, yes, sir; a definite organization that came in trying to get control of the State political organization through the sheriff and the police commissioner's office. That is the first time it ever happened that way.

Mr. ROBINSON. The initiation of those activities by this outside group from your observation began around the 1948 election.

Mr. McKITTRICK. That is right. I confess now that I was very foolish to permit myself to get in that race, but I thought maybe I could stop that, that I could contribute something to stop it. I talked to Owen and some other people about it, and it looked to me like a dangerous situation. The only reason I do not get out—I wanted out of it badly, and all my supporters—Sestric was there, and I could name dozens of them at a meeting. I said, "Gentlemen, you are released, you are under no obligation whatever to support me. I haven't a chance in this world to win, but I can't get out. If I do get out, somebody is going to say that I accepted that gang's money," and I said, "I am going to take it before anybody can say it."

The mayor of St. Joseph said, "I am going to stay with you regardless." Some of the others said, "We are going to stay, too. We are in the same position and we are going to stay."

It was just that bad.

Mr. KLEIN. When you say you told them you were going "to take it" you mean you were going to take the beating?

Mr. McKITTRICK. That is right. I was going to take the beating, you bet you. I would rather take the beating than to have anybody say I took their money.

Mr. ROBINSON. Do you know, General, whether or not Mr. Owen was closely associated with Mr. James Ragen in Chicago?

Mr. McKITTRICK. The only thing I know about that is what he said about it. He did tell me about it. He told me he talked to him on the telephone in the hospital 3 or 4 days before he died. He had his own opinions about it.

Mr. ROBINSON. Who had his own opinions, Mr. Owen?

Mr. McKITTRICK. Yes.

Mr. ROBINSON. Did he express any opinion to you?

Mr. McKITTRICK. He didn't seem to think it was a natural death.

Mr. ROBINSON. Did he express any opinion to you with respect to why Ragen was shot?

Mr. McKITTRICK. As I understood him, the man had control of this wire business, Continental Wire business.

Mr. ROBINSON. What I am getting at, General, is whether or not Mr. Owen ever indicated to you that the same interests—

Mr. McKITTRICK. Oh, yes.

Mr. ROBINSON. The same gambling interests that were moving into Missouri were associated with the gambling interests that were trying to move in on Ragen in Chicago.

Mr. McKITTRICK. That is right.

Mr. ROBINSON. Did you have any specific conversation with him about that?

Mr. McKITTRICK. He just stated that is what it was.

Mr. KLEIN. Did he name any names?

Mr. McKITTRICK. No; he didn't. He would talk and I wouldn't ask him because I didn't care to know any more. I didn't try to find out. I just listened, and he gave me the reason. I know he went to Cleveland to see somebody with reference to the situation. That was just a few days after Charlie and I were in his office. He wanted me to go with him, and I told him he didn't need a lawyer and I didn't go.

Mr. ROBINSON. Were you as closely associated with Mr. Bev Brown as you were with Mr. Owen?

Mr. McKITTRICK. No; I didn't talk to Brown nearly as much as Owen. I knew Brown, but I didn't talk to him as much.

Mr. ROBINSON. Did Brown ever tell you why he was going over with that gang in East St. Louis?

Mr. McKITTRICK. Who, Brown?

Mr. ROBINSON. Yes.

Mr. McKITTRICK. No; he didn't.

Mr. ROBINSON. Did he ever indicate it was better to join them rather than to fight them?

Mr. McKITTRICK. Owen said that was the reason he went over. He and Brown were always friendly afterward, you know. As I say, Brown came to see him practically every night. They didn't have any personal—the last time I talked to Brown on the occasion that I already referred to, he got to talking about Gully and got up out of his chair and looked out the window and tears ran down his cheeks and he said it was too bad it happened.

Mr. KLEIN. General, I think we should put on the record our gratitude to you for coming in. We appreciate this very, very much.

Mr. McKITTRICK. I have a subpoena. What do I do with that?

Mr. KLEIN. I know, but it is still a great inconvenience. As I told you yesterday, it interfered with your routine, and we are really very appreciative.

I think that is all, Mr. Reporter.

(Whereupon, at 1:20 p. m., the hearing adjourned.)

# INVESTIGATION OF ORGANIZED CRIME IN INTERSTATE COMMERCE

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TUESDAY, JULY 18, 1950

UNITED STATES SENATE,  
SPECIAL COMMITTEE TO INVESTIGATE  
ORGANIZED CRIME IN INTERSTATE COMMERCE,  
*St. Louis, Mo.*

## EXECUTIVE SESSION

The committee met, pursuant to call of the chairman, at 10:20 a.m., in courtroom No. 3, United States Courthouse and Customhouse, Twelfth and Market Streets, St. Louis, Mo., Senator Estes Kefauver (chairman) presiding.

Present: Senator Kefauver.

Also present: Rudolph Halley, chief counsel; George H. White and John N. McCormick, investigators.

James W. Connors, St. Louis Crime Commission.

The CHAIRMAN. The committee will come to order.

Mr. O'Connor, the clerk of the court, has been very fine to help us with arrangements, and we appreciate Judge Moore's cooperation in furnishing this beautiful courtroom for our hearing, and the cooperation of the other district judges and of the United States marshal. Mr. Delaney has been assigned to the committee for the purpose of calling witnesses and of helping us with our hearing. Mr. Delaney advises that there are witness rooms where witnesses can sit, and we hope they do not have to stand in the corridor until they are called. This is going to be an executive hearing, so I will have to ask that anyone except those connected with the committee or who have been asked to remain here for the hearing leave the room at this time.

The resolution authorizing this subcommittee to sit will be read into the record at this point.

(The resolution follows:)

*Be it, and it is hereby, resolved,* That the chairman be, and he hereby is, authorized to designate subcommittees for the purpose of holding hearings at Miami, Fla., on July 13 and 14, 1950, at St. Louis, Mo., on July 18, 1950, and at Kansas City, Mo., on July 19 and 20, 1950, or at such other time as the chairman may specify, and that one member of the subcommittee so designated shall constitute a quorum for the purpose of conducting such hearings, administering the oath, and taking testimony of witnesses appearing before it, and taking such other action as may be appropriate.

(Discussion off the record.)

The CHAIRMAN. Who is our first witness?

Mr. WHITE. Chief Burnett.

The CHAIRMAN. Mr. Delaney, will you call Chief Burnett.

Chief Burnett, will you stand and be sworn? Do you solemnly swear the testimony given this committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. BURNETT. I do.

**TESTIMONY OF GENE BURNETT, POLICE CHIEF, GRANITE CITY,  
MADISON COUNTY, ILL.**

The CHAIRMAN. This, of course, is a preliminary hearing for the information of the committee so that we can get as much of the picture as possible. We have a lot of witnesses to hear. We do not want to rush anybody, but let us get to the points of interest just as quickly as possible.

All right, Mr. Halley.

Mr. HALLEY. Chief Burnett, what is your official position?

Mr. BURNETT. Chief of police, city of Granite City, Ill.

Mr. HALLEY. How long have you held that position?

Mr. BURNETT. Since October 1945.

Mr. HALLEY. Chief, I believe that there is a situation in your city with respect to gambling and you have some facts on that. Will you go ahead and tell the committee about it?

Mr. BURNETT. All right. There has been but I have recently closed gambling in Granite City. I had quite a fight on my hands. I have raided the gambling establishments on one occasion and took all of their equipment. Of course this didn't set so good with the local authorities that this happened, but nevertheless it was accomplished.

Mr. HALLEY. Who are the major gamblers in Granite City? Let's start first this way: Who operates books?

Mr. BURNETT. Do you want their names?

Mr. HALLEY. Yes, names, addresses; every bit of information you can give us.

Mr. BURNETT. The handbooks that were operated in Granite City were the Edison Cigar Store, operated by Lester Fehling.

Mr. HALLEY. Where is that now?

Mr. BURNETT. I have the exact addresses if you want them.

Mr. HALLEY. Fine. If you have a list for the record, that would be fine.

Mr. BURNETT. I gave a copy of this to Mr. McCormick. You should have it.

Mr. HALLEY. Can we have the copy you have now and just put it in the record?

Mr. BURNETT. Surely.

Mr. HALLEY. We will mark that as exhibit No. 16, may we?

The CHAIRMAN. Yes. That may be made exhibit No. 16.

(The list referred to was marked "Exhibit No. 16, and is on file with the committee.)

Mr. BURNETT. You have the addresses now?

Mr. HALLEY. Yes. Could you give me the names of the people who operate these? I see that your letter states addresses but not the names.

Mr. BURNETT. The Edison Cigar Store is operated by Lester Fehling, as I said. The Rex Cigar Store is operated by Isaiah Hughes. The 1539 Madison was operated by Leo Vogt, and 1833 State was operated

by Clara Barnholtz Marmor. Barnholtz is the name it is operated on but her married name is Marmor.

At one time Clara Barnholtz operated two places, but one didn't reopen.

Mr. WHITE. We have four persons now, Chief. After Barnholtz would you give us the next name?

Mr. BURNETT. There were only four.

Mr. HALLEY. Where do these people get their information?

Mr. BURNETT. Pioneer News Service.

Mr. HALLEY. What evidence do you have of that? Have you taken any steps to trace that wire service or to do anything about it?

Mr. BURNETT. The only evidence that we have, we have been checking on this thing for quite some time and we were informed—I was informed, rather—that Pioneer News Service had sole rights to the wires. I found out from some of the gambling element when two places were permitted to open in Granite City in October of last year and the other two were not permitted to open, they began to squawk and they began to cry a little bit.

Mr. WHITE. Which two were opened?

Mr. BURNETT. Lester Fehling, the Edison Store, and Isaiah Hughes. The one that is Leo Vogt and the one that is Marmor were not permitted to open.

Mr. WHITE. What was the basis of their being permitted or not permitted to open?

Mr. BURNETT. The basis of that was that the other two, Marmor and Vogt, were not from Granite City. They used the old story that they are local people and Marmor and Barnholtz were not local people and that is the reason they did not let them open.

Mr. WHITE. When you say, Chief, they would not let them open, to whom are you referring?

Mr. BURNETT. I am referring to the mayor of the city.

Mr. WHITE. What is his name?

Mr. BURNETT. Leonard R. Davis. That is what I was informed by one of these operators, a fellow hanging around the operators, that the mayor would not let them open. I have been informed that there was a wire recorder in the possession of Pioneer News Service whereby they could give you the exact name of the party in Granite City who gave them authority to open.

Mr. WHITE. That person is who?

Mr. BURNETT. Supposed to be Leonard R. Davis.

Mr. HALLEY. Did you ever get any instructions from the mayor as to who to arrest for bookmaking and who not to arrest?

Mr. BURNETT. I never got any instructions from the mayor about arresting him or not arresting him. We just went out and arrested him. It didn't set so good with the mayor and part of the administration.

Mr. HALLEY. Go on and state how it did not set so good.

Mr. BURNETT. There was a move on foot to demote me as chief of police and to fire me.

Mr. HALLEY. You had a certain conversation with the mayor?

Mr. BURNETT. Yes.

Mr. HALLEY. Would you give the gist of that conversation for the benefit of the committee?

Mr. BURNETT. I surely would.

I walked in the station and told the mayor—the mayor said he wanted to see me. I said, "Now is as good a time as any." I said, "Do you want me to give it to you now or do you want me to give it to you later?"

He said, "I don't give a damn when you give it to me, you are through."

Of course he denied that statement later.

Mr. WHITE. When was this, Chief?

Mr. BURNETT. This was back in January.

Mr. WHITE. Of this year?

Mr. BURNETT. Yes.

Mr. HALLEY. What happened next?

Mr. BURNETT. We have some aldermen on the board over there who are pretty good fighters and they got together and were going to call a special meeting to prevent any action that was to be taken.

Mr. HALLEY. Let us have the line-up. You went and complained to somebody?

Mr. BURNETT. I never complained to anyone. It so happened there were a couple of the aldermen there at the time.

Mr. HALLEY. Did they hear the conversation?

Mr. BURNETT. One of them did, but he wears a hearing aid and he states he did not have his hearing aid on at the time and never heard it.

Mr. HALLEY. I see.

Mr. BURNETT. The aldermen who began to put up this battle were Aldermen Veiser, Portney, and Rutledg. They in turn got in touch with several other aldermen who were friendly to them and they were going to call a special meeting.

You no doubt want to know the purpose of these raids that we conducted.

Mr. HALLEY. Yes.

Mr. BURNETT. I want to tell you why that happened. One of the reasons, they had a practice over there since 1946 of the State's attorney bringing them in the county court and changing their names on the informations and fining them every 3 or 4 months. That was just a practice. The places never even ceased operation.

Mr. HALLEY. Where was this practice?

Mr. BURNETT. In Madison County, the State's attorney's office. The State's attorney filed informations.

Mr. HALLEY. That is Madison County, right?

Mr. BURNETT. Yes. He filed the informations.

Mr. HALLEY. Then what would happen?

Mr. BURNETT. They would come in the county court and plead guilty and pay a fine and never cease operation.

Mr. WHITE. They were not served with a warrant or process of any kind at their place of business?

Mr. BURNETT. The sheriff was supposed to serve the information on them, the sheriff of the county, the deputy sheriff, but I don't know how they served them without closing them when they saw the violation.

Mr. WHITE. Who is the sheriff of Madison County?

Mr. BURNETT. Dallas Harrell.

Mr. WHITE. He is the sheriff, and who is the prosecuting attorney?

Mr. BURNETT. Austin Lewis.

Mr. WHITE. Do you know a man named Buster Wortman?

Mr. BURNETT. I have heard of him, not personally acquainted with him.

Mr. WHITE. Did you ever have any conversations with Davis or any other official relative to Wortman?

Mr. BURNETT. Yes, sir.

Mr. WHITE. What was that conversation and when was it.

Mr. BURNETT. The conversation was in June or July of last year, when there was some discussion of leaving these places open. I had had them closed for 18 months, and I told the mayor that I would not under any circumstances go along with their being open due to the fact that Wortman, Eppelheimer, and the Capone syndicate were connected with them. He then told me that these were local boys.

Mr. WHITE. Who told you they were local boys?

Mr. BURNETT. Mayor Davis, he told me that the boys operating these places were local boys.

Mr. WHITE. You at that time told the mayor you would not permit these places to open because you understood they were controlled by—

Mr. BURNETT. He said, "If you can show me where they have any control over me, we will not. We will not stand for them."

Mr. WHITE. Where did you get your information that Wortman, Eppelheimer, and others were connected with Chicago type gangsters?

Mr. BURNETT. Wortman has been known as a police character for quite some time. At one time they set up the Reliable News Service in East St. Louis. Automobile licenses which have been checked around here belonged to Wortman, Eppelheimer, Dowling, Red Smith. Then Bev Brown went over to work for them.

Mr. HALLEY. May I ask you this—

Mr. BURNETT. I am not positive of the year, but it was in the middle forties.

Mr. HALLEY. Is that the time that Wortman first appeared in this area?

Mr. BURNETT. Yes, in this particular business. Before that he had been just an ordinary run of the mill. He had been possibly in every little kind of racket.

Mr. HALLEY. He lived where?

Mr. BURNETT. Caseyville.

Mr. HALLEY. How long had he lived there?

Mr. BURNETT. I would say he had been there to my knowledge about 10 years.

Mr. HALLEY. You say he has been in various rackets. Now do you know what he was doing prior to his opening the Reliable News Service?

Mr. BURNETT. To my knowledge I couldn't specify any racket he has been in, but he has more or less been a muscle man.

Mr. HALLEY. Is he the man who owns the Plaza Amusement Co. here in St. Louis?

Mr. BURNETT. I don't know whether the records of incorporation shows he owns it, but he was definitely connected with it.

Mr. HALLEY. He was generally the type of man on whom you had no police record at all?

Mr. BURNETT. Not in Granite City. The man was never arrested in Granite City. In fact, he has only been through there on the highways.

Mr. HALLEY. Then the Reliable News Service opened?

Mr. BURNETT. Yes.

Mr. HALLEY. That was located where?

Mr. BURNETT. In Fairmount City.

Mr. HALLEY. That is out of your jurisdiction?

Mr. BURNETT. Yes.

Mr. HALLEY. Since then has Wortman appeared to have any further dealings with these bookmakers in Granite City?

Mr. BURNETT. We had information that he was seen around the handbook in Granite City and I sent some men down, but he was not there at the time.

Mr. HALLEY. From whom did these people get their information, direct from Pioneer?

Mr. BURNETT. Yes, Pioneer News Service.

Mr. HALLEY. What does Reliable do?

Mr. BURNETT. Reliable was only in operation a short time and they folded up. Bev Brown, who was a partner of Gully Owens, went over to Reliable News. A short time later he went back into Pioneer, and that was the time in police circles that we felt that they had taken over, the syndicate had taken over.

Mr. HALLEY. Is it your understanding that Reliable no longer functions at all?

Mr. BURNETT. Yes; in East St. Louis.

Mr. HALLEY. Does it function elsewhere?

Mr. BURNETT. Not to my knowledge.

Mr. HALLEY. You mentioned that the syndicate had taken over. What do you mean by that? Will you explain?

Mr. BURNETT. In police circles we call a syndicate—for instance, the old Capone gang out of Chicago.

Mr. HALLEY. Just what did you feel? Let me put it this way: In general the discussions of syndicate operations get quite vague. The committee has managed to trace one down in one area, and we find that it is possible to pin it down to something that is quite definite and specific. At that point we know just what happened. That is the task here. When you say that about the time that Reliable opened up is when the syndicate moved in, you must have some pretty specific things in mind. Can you just think carefully and try to give them to the committee?

Mr. BURNETT. Yes. What I have in mind is this: When Reliable opened up all police in the area immediately suspected there was going to be a lot of killings, and so on and so forth. We, like any other profession, have to have our sources of information. We felt that we were going to have an epidemic of gang wars.

Mr. HALLEY. Let's hold it there, if we may. Did you feel that you were going to have gang wars because Reliable was in competition with Pioneer?

Mr. BURNETT. Yes.

Mr. HALLEY. That then requires the record to show something about the people who were associated with Reliable and Pioneer which made you think they settled their business differences with guns. Can you get that into the record with something specific in the form of testimony?

Mr. BURNETT. In the form of evidence? No; I could not.

Mr. HALLEY. Expert opinion, evidence of a well-informed police chief.

Mr. BURNETT. We have had the experience, not during my time as a police officer, but we in Granite City have seen many, and I personally have seen some of them. During prohibition we picked them up off the streets over there. There was no difficulty at all as long as Pioneer News Service was operating under the directorship of Gully Owen and Bey Brown. When Reliable opened up with these other names—Eppelheimer, Wortman, Dowling, Red Smith—the newspapers were naturally full of what to expect.

Mr. WHITE. Chief, let me clarify this, perhaps. As a policeman of some experience—incidentally, how long have you been a policeman?

Mr. BURNETT. Twelve years. I am starting my twelfth year.

Mr. WHITE. It is your business to make yourself acquainted with criminal personalities in your area?

Mr. BURNETT. Yes; that is right.

Mr. WHITE. And to make certain inquiries of informers and any other sources as to the character and potentialities of criminal elements in the city?

Mr. BURNETT. Yes, sir.

Mr. WHITE. As a result of those inquiries, it is your opinion that the group included Wortman, Eppelheimer, Dowling, Red Smith, and they were of that type commonly known as gangsters?

Mr. BURNETT. Yes, sir.

Mr. WHITE. They were gangsters who had connections in other cities than the communities in which they resided.

Mr. BURNETT. Yes, sir.

Mr. WHITE. As I take it, you never obtained any factual evidence of that in the way of testimony, or letters, or statements, or affidavits?

Mr. BURNETT. No, sir.

Mr. WHITE. You feel that as an experienced police officer you know that to be true and you have discussed this with other police officers and from them you have the same opinion?

Mr. BURNETT. We have a county association that meets monthly, the Madison County Police Officers Association. At the time of the opening of Reliable News Service that was the big topic of discussion—what we could look forward to.

Mr. WHITE. Was it the unanimous opinion of the police officers and other associations that these people did represent a gangster element who would resort to violence to perpetuate their aims in connection with the racing information service?

Mr. BURNETT. Yes; it was.

Mr. HALLEY. You people must have had some further information, and that is what I am trying to get to, to tie Wortman and Eppelheimer and Smith up with the Capone Chicago syndicate. Were they known to be seen in the company of Capone gangsters? Were they known to make trips to Chicago? Were they known to have interests and enterprises that were run by the syndicate? What made you think that a man like Wortman, who lived for many years right in your own community, had connections with the Chicago syndicate? Let us go off the record for a minute.

(Discussion off the record.)

Mr. BURNETT. You wanted to know why we believed that he was connected with it?

MR. HALLEY. Every little scrap, because the scraps that you have with the scraps that we pick up in Cairo and Peoria may fit together and we will have something.

MR. BURNETT. Buster Wortman for quite some time around here was the run-of-the-mill gangster. Then suddenly, overnight, he became what we call a big wheel in the machinery. He bust with a new \$100,000 home. The first thing you know, we used to hear about Chippy Robinson and those boys, and we began not to hear of Chippy Robinson any more, but Buster Wortman.

MR. HALLEY. When did Wortman get this home?

MR. BURNETT. It is about 5 years now. It was built in about 1945. It is in Caseyville.

MR. WHITE. It was built coincidentally when he took over the wire service?

MR. BURNETT. Yes; that is right.

MR. HALLEY. You felt he didn't have the finances either to build the home or take over the wire service?

MR. BURNETT. Then suddenly they built this lounge in East St. Louis, him and his brother, Ted.

MR. WHITE. The Paddock?

MR. BURNETT. He must have had a pretty good piece of change for that. The man blossomed up overnight.

MR. HALLEY. What about Eppelheimer and Red Smith?

MR. BURNETT. Red Smith I don't know very much about, but Eppelheimer we knew pretty well. He used to be a race track hanger-on and he was Wortman's bodyguard, so to speak. Every time you saw Wortman you would see Eppelheimer.

MR. WHITE. He is now dead?

MR. BURNETT. He is now dead.

MR. WHITE. In talking to any of the customers of the news service or the bookmakers in the course of your duties did you have any discussion with them about the change-over in wire service from Pioneer to Reliable, and did anybody at any time tell you of any high-powered methods or threats or intimidation used to sell the service of Reliable rather than have Pioneer? Did Wortman ever appear as a so-called salesman in these transactions?

MR. BURNETT. Wortman never appeared at any time as a salesman. These things were kind of odd. When the wire service was installed, a man would say he wanted to get wire service. Pioneer Service—give the devil his due—would not install that wire service until they first cleared with somebody in some local community. That could be the mayor, the chief of police, or some commissioner or any board member, alderman, who was so designated.

MR. HALLEY. That is an interesting thing, because, for instance, in your State operating a book is a felony, is it not?

MR. BURNETT. Yes, sir.

MR. HALLEY. When they were clearing they were in effect getting permission to operate in violation of the law.

MR. BURNETT. To violate the law.

MR. HALLEY. With whom did Pioneer clear, for instance, in Granite City, where you are chief of police?

MR. BURNETT. I have been informed that they cleared with the mayor. I have never been able to prove it.

Mr. HALLEY. Who told it to you? Maybe we can work it down the line.

Mr. BURNETT. A fellow named Willard Portell. He was campaign manager for the mayor.

Mr. WHITE. Do you know his address, Chief?

Mr. BURNETT. No, I don't. He works at the Amstel Foundries in Granite City. He is working right now. He is the man who informed me that Mayor Davis made the call to Pioneer News Service to connect the wires.

The CHAIRMAN. What did Mayor Davis get out of it? What did he say he got out of it?

Mr. BURNETT. Mayor Davis denies it.

The CHAIRMAN. I know, but what do you know about what money passed and what payoff was made, if any?

Mr. BURNETT. The payoff was supposed to be \$100 a week.

The CHAIRMAN. Payoff by whom to whom?

Mr. BURNETT. At one time it went through one bookie. You see the last time, Senator, they were operating, it only started in January and I knocked them off right away again. Since Mayor Davis has been in power, they haven't been there long enough for him to get anything, because I knocked them off twice since he has been in the office, and they are closed now.

Mr. WHITE. Did you ever talk to a bookmaker who said he paid any official \$100 a week for the privilege of operating?

Mr. BURNETT. No, sir; but the income-tax records would show that prior to Mayor Davis' administration one R. E. Roberts was on the payroll of the Edison Cigar Store, at \$100 a week, and he operated a tavern. He was, of course, the mayor's right-hand man at that time.

Mr. WHITE. Who was the mayor then?

Mr. BURNETT. Charles W. Moerlein.

Mr. HALLEY. Let's follow these things one at a time.

Mr. BURNETT. All right.

Mr. HALLEY. First let us get back and finish Portell up right because we want to ask him some questions.

When did Portell tell you this, under what circumstances and where?

Mr. BURNETT. Portell told me this in my office in October of 1949 in the presence of Alderman Rutledg and Alderman Portney. He said that the mayor had double-crossed him and would not let him get cut in.

Mr. HALEY. The mayor had run on a reform ticket, had he not?

Mr. BURNETT. That is what they called it.

Mr. HALLEY. When he got in there, according to Portell, he double-crossed him and made this deal?

Mr. BURNETT. Yes.

Mr. HALLEY. Did any of the people present pick them up on it?

Mr. BURNETT. Yes. These other two men last night asked if they could get over here and tell you people about it.

Mr. HALLEY. Let us get them here. Let's get affidavits on it.

Mr. WHITE. When you are excused here, can you get them on the phone and ask them to come over here?

Mr. BURNETT. I think so.

Mr. HALLEY. And when they get here, have them send their names in and we will have them out of turn.

Did he say where he got this information?

Mr. BURNETT. I said, "Portell, why don't you quit giving us that stuff, and let us know something definite," because we were trying to find out and we were in there pumping him.

Mr. HALLEY. What did he say?

Mr. BURNETT. He said he had a friend who is well acquainted in Pioneer News Service, and it was on wire recording that Mayor Davis authorized the opening of the books.

Mr. HALLEY. Who recorded it?

Mr. BURNETT. Portell said Pioneer recorded it. He did not tell me how.

Mr. WHITE. Were you present in the mayor's office at one time when he made a phone call under circumstances that led you to believe he was talking to the News Service?

Mr. BURNETT. Yes, sir.

Mr. WHITE. Tell us about that.

Mr. BURNETT. I was in the news office and I heard the girl say "They are on the line." The mayor picked up the phone and said, "Those two places are O. K."

The next day the two places opened up. There is nothing there that would say it was Pioneer, but that led me to believe that is what the story was.

Mr. WHITE. Were you having same conversation with mayor—incidentally, this is Mayor Leonard Davis?

Mr. BURNETT. Yes.

Mr. WHITE. And it was how long ago?

Mr. BURNETT. It was prior to October. It was about June, I would say.

Mr. WHITE. What year?

Mr. BURNETT. Last year.

Mr. WHITE. 1949. On or about that particular occasion did you have some conversation with the mayor about the operation of handbooks?

Mr. BURNETT. Yes.

Mr. WHITE. You were discussing that at that time?

Mr. BURNETT. Yes.

Mr. WHITE. What did he say to you?

Mr. BURNETT. The mayor asked me what I thought about the handbooks operating, and I said, "Mayor, I have kept them closed for 18 months and I don't like it." He said, "I have to let the handbooks operate to get harmony in my council."

I don't know what—I assumed, as you gentlemen do, that he meant to pay the council off.

The CHAIRMAN. Of course, that is a very violent assumption.

Mr. BURNETT. Yes.

The CHAIRMAN. Do you have any evidence that the council had been paid off?

Mr. BURNETT. No, sir; no evidence, Senator.

The CHAIRMAN. How many are on the council?

Mr. BURNETT. Fourteen.

The CHAIRMAN. Bipartisan? Is it Democratic or Republican?

Mr. BURNETT. No, they run on a nonpolitical basis. They don't run on any parties, mayor or nothing.

The CHAIRMAN. What action did the council ever take that indicated they were going along with this?

Mr. BURNETT. One of these aldermen, Alderman Portney, made a motion one night that the mayor and the chief of police conduct an investigation of gambling conditions in Granite City. I think the vote was 10 not to do it and 3 to do it. One man was absent. Ten aldermen didn't want any investigation conducted whatsoever of any gambling activities. Of course, they were within their rights. They knew it didn't require an investigation. They knew it was a violation of the law, and that was the alibi they used. They voted 10 to 3 not to investigate any gambling.

Mr. WHITE. Was gambling going on at that time?

Mr. BURNETT. Yes, sir.

Mr. WHITE. Everybody knew it?

Mr. BURNETT. Yes, sir.

The CHAIRMAN. How about the sheriff? What did he do about stopping this? Is that Dallas Harrell?

Mr. BURNETT. Yes. Nothing in our town about stopping it.

The CHAIRMAN. What has been your relation with him? Have you tried to get him to do anything?

Mr. BURNETT. No, sir.

The CHAIRMAN. Do you think he has been getting anything for—

Mr. BURNETT. As you said, that would be a pretty strong assumption, but when a man spends \$50,000 or \$60,000 to run for a job that pays \$4,000 a year, as you say, that is a pretty strong assumption.

The CHAIRMAN. How do you know he spends \$50,000 or \$60,000?

Mr. BURNETT. I think it is possibly a matter of record. It could be, how much he spends.

Mr. WHITE. Is the sheriff by law of equal responsibility with the police for suppressing crime in incorporated cities?

Mr. BURNETT. Yes, sir. As a matter of fact, the sheriff could come into our town, Granite City, and go right ahead and make arrests without any interference.

Mr. WHITE. Has he ever done that?

Mr. BURNETT. No, sir.

Mr. WHITE. For any offense whatsoever?

Mr. BURNETT. No, sir. He did go into Madison, Ill., and raid the 200 Club, which is just across the street from us. He raided the 200 Club which is a gambling joint. They did go in there and raid that after someone had shot up the joint and took a shot at the State's attorney's house.

The CHAIRMAN. Was that recently?

Mr. BURNETT. Yes, sir. That was within the past year.

The CHAIRMAN. Let us get on with what Chief Burnett knows and what he has facts to prove.

Mr. HALLEY. You were talking about a R. E. Roberts and a Charles Moerlein. We stopped to get all the facts on Portell. Will you go ahead with what you were going to say about Roberts and Moerlein?

Mr. BURNETT. Roberts, as I said, was a payroll entry on the Edison cigar store at \$100 a week. He never got any nearer that place other than to go around once a week and stop in and say hello.

Mr. HALLEY. What was his relation—Charles Moerlein was the former mayor, is that right?

Mr. BURNETT. Yes, sir.

Mr. HALLEY. What was Roberts' relations with Moerlein?

Mr. BURNETT. Roberts, in city hall talk, was the collector.

Mr. HALLEY. Were they good friends?

Mr. BURNETT. Yes, sir. They were very good friends. Mr. Roberts was former mayor of Granite City. He was more or less a campaign manager.

Mr. HALLEY. I see. He was on the payroll of this bookie joint and it was a known bookie joint?

Mr. BURNETT. Yes, sir.

Mr. HALLEY. Is there anything else, Mr. White?

Mr. WHITE. Have you discussed this situation with the chiefs of police in cities in your general community?

Mr. BURNETT. No, sir.

Mr. WHITE. Have you ever discussed it with any police officer to the point where you know from statements of officials that the practice of Pioneer only to a put a wire in a city where they get the O. K. from the official is standard throughout that area?

Mr. BURNETT. Since I have conducted raids on the bookies, Mr. White, my department and I have been more or less outcasts from the other officials of the county.

Mr. WHITE. You are not on friendly terms as a result of your enforcement activities?

Mr. BURNETT. We are on speaking terms, but we don't discuss it so much because I am known as the renegade of the law-enforcement profession on the east side. My department is the only department that has ever arrested or raided these places, until Governor Stevenson sent in some boys in the past several months to clean it up.

The CHAIRMAN. This is Madison County?

Mr. BURNETT. Yes, sir.

The CHAIRMAN. How many gambling joints did you have around in Madison County, before they were raided on Governor Stevenson's orders?

Mr. BURNETT. I would have to estimate it. I would say 30.

The CHAIRMAN. Are they wide open?

Mr. BURNETT. You walk right in the front door.

The CHAIRMAN. Any of them in Granite City?

Mr. BURNETT. Four, which I closed.

The CHAIRMAN. When did you close them?

Mr. BURNETT. I closed them on three different occasions. The last occasion was March.

The CHAIRMAN. Why cannot you keep them closed?

Mr. BURNETT. They are closed, Senator.

The CHAIRMAN. How about out in the county in no incorporated city? Do you have some gambling places?

Mr. BURNETT. I understand there are gambling places in the county running. As a matter of fact, they were running a week ago today.

The CHAIRMAN. Why does not the sheriff close them up, do you know?

Mr. BURNETT. I don't know.

The CHAIRMAN. Chief, have you ever seen any money pass back and forth? Do you know anything about that?

Mr. BURNETT. I saw an envelope. There could have been anything in that envelope. It could have been tickets to the show.

The CHAIRMAN. The envelope was passed when?

Mr. BURNETT. It was a brown envelope about that long and 2 inches wide.

The CHAIRMAN. Where did it come from and whom did it go to?

Mr. BURNETT. It came from a fellow known as Ben Oonk. He left it on the desk upstairs in the mayor's office. That was Mayor Moerlein. It was not Mayor Davis. I never saw what was in it. Ben Oonk is a silent partner of 1539 Madison.

The CHAIRMAN. How do you know he left it?

Mr. BURNETT. I saw him. I was standing there when he brought it in. He left it on the desk with the secretary.

The CHAIRMAN. Did he say what was in it?

Mr. BURNETT. I didn't ask him.

The CHAIRMAN. It is your idea, then, that gambling and the wire service when it operates in that section does so by arrangement between the participants and the law-enforcement officers and city or county officials? Is that your feeling about it?

Mr. BURNETT. It has to be, because I have had people who came to me and told me that if I would give them the O. K., they could get wire service. I said, "Well, I am not in that category." I said, "Some one else will have to do that for you." There is no question about it that they first get an O. K. from local officials, from some local official.

Mayor Moerlein and I were very good friends, we were very closely acquainted, and he did tell me some of those things. He let me in on a few. He has told me more since he has been defeated than he did before.

The CHAIRMAN. What would he tell you?

Mr. BURNETT. He told me the Pioneer News Service would not connect this service unless someone in the building gave them authority to connect it.

Mr. HALLEY. Did you ask him how he knew this?

Mr. BURNETT. Yes, sir. I asked him how he knew, and he just laughed. I said, "How do you know that? Can you prove it?" He just laughed about it.

The CHAIRMAN. Anything else?

Mr. WHITE. I think that is all.

Mr. HALLEY. No; thank you.

The CHAIRMAN. Chief, thank you very much. Will you be available where we can get you today?

Mr. BURNETT. Yes, sir; I will be in the office all day.

The CHAIRMAN. You are going to call those two men?

Mr. WHITE. I would like to have you call those two aldermen, please.

Mr. BURNETT. Aldermen Donald Portney and Paul Rutledg.

The CHAIRMAN. Tell them to let us know when they arrive here and also let us know whether or not they are coming. Thank you very much, sir.

Mr. BURNETT. You are welcome.

#### TESTIMONY OF STANLEY WALLACH, PROSECUTING ATTORNEY, AND WILLIAM J. HOUGH, FIRST ASSISTANT PROSECUTING AT- TORNEY, ST. LOUIS COUNTY, MO.

The CHAIRMAN. How are you, Mr. Wallach?

Mr. Wallach, do you solemnly swear the testimony you will give this committee will be the whole truth and nothing but the truth, so help you God?

Mr. WALLACH. I do.

Mr. HALLEY. Did you bring any of your assistants with you?

Mr. WALLACH. I brought Mr. Hough, who has made an analysis of this matter with Chief Deputy Sheriff William Smith.

The CHAIRMAN. Let us get Mr. Hough. Is there anyone else, Mr. Wallach?

Mr. WALLACH. No.

The CHAIRMAN. Mr. Hough, we will be calling on you to testify and our rules require, not that we doubt your veracity, that you be sworn. Do you swear the testimony given this committee will be the whole truth and nothing but the truth, so help you God?

Mr. HOUGH. I do.

The CHAIRMAN. We appreciate your cooperation and help.

Mr. Halley, let us get at what we have.

Mr. HALLEY. Mr. White will conduct this examination. He is very familiar with it.

Mr. WHITE. Gentlemen, we are interested in the investigation of the C. J. Rich Co. which came about through a raid conducted by your office and the sheriff and the St. Louis police, with some cooperation from the New Jersey authorities. We would like to have you tell us the results of your investigation for our record showing the extent to which Western Union was involved in the operations of the bookmaking enterprise, the States in which they operated, the methods under which they operated, and any other pertinent data that you may have in that regard.

The CHAIRMAN. What is your first name, by the way?

Mr. HOUGH. William J.

Mr. WALLACH. May I make this preliminary statement while Bill is getting that.

We learned that several men in this area had been indicted in New Jersey, and in conducting the search for those men before the indictments were made public in New Jersey the police officers in cooperation with the deputy sheriffs located the automobiles of two of these men at this address. We immediately secured a search warrant from the circuit court and in making the raid we uncovered this information and succeeded in arresting one of the men there. That was Sid Wyman.

The CHAIRMAN. Is he a New Jersey citizen or does he live here?

Mr. HOUGH. He is a resident of Missouri.

Mr. WALLACH. The place turned out to be a storehouse for the C. J. Rich Co., consisting largely of large numbers of telegrams and records of their business with the Western Union Co., large amounts of correspondence between Western Union and C. J. Rich & Co., a large amount of correspondence between various bettors all over the country and the C. J. Rich & Co., and their records of their bills with Western Union, together with acknowledgments from Western Union managers and employees of gifts received by them from C. J. Rich & Co.

Mr. HALLEY. What is the business of C. J. Rich?

The CHAIRMAN. C. J. Rich, is it not?

Mr. HALLEY. C. J. Rich.

Mr. HOUGH. They operated in St. Louis County as the Gold Bronze Co. However, we searched the place under authority of a search warrant issued by our circuit court and found that it was used principally

as a storage house. There were some four records. There was some evidence that there had probably been a small amount of their business transacted in St. Louis County, and on that evidence we issued informations against Sidney Wyman, Steve Montefelice, Ralph Martin Leon, Charles J. Rich, and Edward B. Fischer. These men our investigation disclosed operated the Charles J. Rich Co.

In answer to your question, the records disclose that they probably operated in every State in the Union through the medium of Western Union. We also recovered from their records a box containing their agents who were also employed as agents for the Western Union. These men were located in different States and different parts of States.

Mr. WHITE. Do you have a list of the names of those persons and their locations as Western Union agents?

Mr. HOUGH. I do; yes, sir. However, it is a card index and is quite lengthy. I imagine there are 100 or 150 names.

The CHAIRMAN. Mr. Hough, as I understand it, the names in this card index were agents of Charles J. Rich Co.

Mr. HOUGH. And Western Union employees.

The CHAIRMAN. And Western Union employees.

Mr. HOUGH. Yes, sir.

The CHAIRMAN. Were they paid by both?

Mr. HOUGH. Definitely they were paid by both and received a commission.

The CHAIRMAN. What records do you have to show that, Mr. Hough? Have these names been made public?

Mr. HOUGH. No; they have not been disclosed.

The CHAIRMAN. Let's take a hypothetical case. Suppose John Doe, from Podunk, Tenn., is a Western Union operator. How would they contact and what would the contract be between C. J. Rich & Co. and the Western Union agent? How would they make contact?

Mr. HOUGH. They were evidently contacted by other members of the Western Union. They in turn would write Rich & Co. telling them that they had available to them bettors in their immediate territory, and that they would like to make a deal on handling these bets. They received a commission. We have in this voluminous correspondence acknowledgments of commissions and letters sending commissions.

Mr. WALLACH. And some soliciting business.

Mr. HOUGH. And some soliciting business.

The CHAIRMAN. You mean some of the agents soliciting business?

Mr. HOUGH. Yes. Momentarily I have misplaced it. I was reading it as I was looking through for an answer to Mr. White's question. One agent was a little wary of someone who was going to supplant him during his vacation period and told him he would continue to work but he knew nothing of the financial arrangements and disclosed nothing to him.

The CHAIRMAN. You say this record you have here shows about 150 such persons in the country?

Mr. HOUGH. That is correct, sir.

The CHAIRMAN. In most all of the States?

Mr. HOUGH. That is right.

The CHAIRMAN. What was the contract between Rich & Co. and these particular agents?

Mr. HOUGH. That I am not immediately able to tell you until I find some memoranda.

The CHAIRMAN. Apparently these people had accounts with the Rich company.

Mr. HOUGH. The modus operandi was to deposit a certain amount with C. J. Rich & Co. against which they could draw as they made their bets. If the horses in question won, they were credited. There was a monthly remittance to them over and above the amount that they desired to keep on deposit. If they lost a few bets, they would from time to time send money orders, by Western Union for the most part, and ask it to be credited to their account in order to give them additional credit.

The CHAIRMAN. Where would the Western Union manager make anything out of it?

Mr. HOUGH. The Western Union manager would receive a portion or a commission on bets. Here is a letter, however, that suggests a direct tie-up with the company from a Kenneth G. Ebert, the manager of the Western Union Telegraph Co., Red Oak, Iowa. It reads as follows, addressed to Rich & Co., East St. Louis, Ill.

The CHAIRMAN. July 15, 1949.

Mr. HOUGH. That is right. It reads:

I have heard that a local booking agent is operating again in Red Oak. I believe he has a tie-up with M. L. Cooper Co. He seems to be getting a majority of the business here at the present time. He telephoned his bets in after accepting same. Our local wire bets have dropped off considerably since this man started operating. I would suggest you appoint someone as local agent to represent you here. Tom Nunn is at present out of town but will be back within a short time. I would suggest you contact him as I feel he would be the man to represent you here as he is honest, trustworthy, and sincere in all his dealings. All the dealings I have ever had with him in the past 2 years, I find that his word is always good in every respect. I feel he would not only do you a lot of good locally but he has contacts in surrounding towns as well. This is only a suggestion that will be beneficial to you as well as to Western Union. My only interest is to try to gain back the revenue my company has lost due to the local booking agent. Western Union desperately needs business and a lot of revenue secured through the wagers wired in. The form which you were mailing in care of Western Union has not arrived in the past few days. I don't know if it had some error in the post office or if it had expired. I have had some calls for same. I would appreciate your keeping this confidential. I feel confident if you follow this suggestion you will benefit by same and I know our revenue will again be up where it was in the past.

Thanking you.

KENNETH G. EBERT,  
Manager, Western Union Telegraph Co., Johnson Hotel,  
Red Oak, Iowa.

Mr. WALLACH. May I add to that one, this letter dated December 31, 1948, from the same man:

DEAR MR. RICH: Intended to write before and thank you for your Christmas present, but have been too busy. Was surprised to receive it, but it certainly came in handy. Thanks a lot. To show my appreciation, the only thing I can do in return is to suggest your name when customers place bets. I have done so, as you probably know, on D. C. Taylor. Have several other bettors here who place bets now and then and will suggest your company to them also when they come in.

KENNETH G. EBERT,  
Manager, Western Union Telegraph Co., Johnson Hotel, Red Oak, Iowa.

The CHAIRMAN. When did they come in to bet and Mr. Ebert suggested the name of C. J. Rich Co.? Is the money actually telegraphed?

Mr. HOUGH. Yes.

The CHAIRMAN. By Western Union to C. J. Rich?

Mr. HOUGH. Yes. It is telegraphed and a charge made for it.

Here is a letter that bears it out. The Western Union telegraph office is the stationery. Trenton, Mo., July 15, 1948, addressed to Rich & Co.:

DEAR MR. RICH: Today I sent an order to you for \$10 and made an error on it by signing E. Potts. It should have been signed B. Kincaid. This is a new customer and I trust there will be no inconvenience to you from making the error. I sent a service making the correction so you should know it was in error and if B. Kincaid wins any money you should send it to her. You now have all the race people's business in Trenton, Mo.

The next paragraph is something personal.

The CHAIRMAN. Then if the bettor won, it was remitted to the person proper or to the manager of the Western Union office?

Mr. HOUGH. It was evidently sent back to the persons themselves.

The CHAIRMAN. What was the purpose of this deposit by these people with C. J. Rich & Co.?

Mr. HOUGH. They would bet often by telegram. Often their money was sent by telegram. The business was solicited, seemingly, by the operator who sent it as a money order.

The CHAIRMAN. Yes, I know, but why did they require these agents to maintain a deposit here with C. J. Rich & Co.?

Mr. WALLACH. It wasn't the agents. It was the customer.

Mr. HOUGH. It was the customer himself.

Mr. WALLACH. To cover their losses in case they lost the bet.

Mr. HOUGH. In other words, before you could open an account, the money would be guaranteed to be in the hands of these people, and then you could bet against it. Then that money was forwarded to Rich. As soon as you had exhausted your reserve, you would either send additional evidence or you were wiped out of the whole stock market.

The CHAIRMAN. I still do not understand. I just cannot get it through my mind. If John Doe went into a Western Union office and sent his money by Western Union to C. J. Rich Co.—

Mr. HOUGH. Yes.

The CHAIRMAN. To bet on a certain horse, if he lost that wiped him out on that bet. If he won, then C. J. Rich Co. would wire him back the amount he won. In that dealing why was any deposit needed?

Mr. HOUGH. C. J. Rich did not operate in that manner. They did not operate on a single bet. They had you establish a credit of maybe \$2,000. Maybe 1 day you would bet only \$20.

The CHAIRMAN. You mean I am a bookie or I am an agent.

Mr. HOUGH. No; you are the bettor. You are solicited. You are found to be a horse bettor in some small town or big town. They solicited you for Rich & Co. to do business. Then the agent contacted Rich & Co. and told them that you were a bettor and evidently a large bettor. You were then sent circulars and literature explaining their set-up. You were then talked in—

The CHAIRMAN. By C. J. Rich Co.?

Mr. HOUGH. By C. J. Rich Co.

The CHAIRMAN. Through the mail?

Mr. HOUGH. Evidently through the mail. Then your name was sent on or you were told to contact this agent.

When you were completely sold, you wired or deposited your money and made your bets. That was sent through Western Union. The amount of the money that was solicited monthly the agent received the commission.

Here is a letter dated February 1, 1949—

The CHAIRMAN. Then if the deposit is made up here, then would there actually be a transmission of money back and forth?

Mr. HOUGH. Not on every bet; no.

Mr. WALLACH. Sometimes they asked the amount be held for future bets.

Mr. HOUGH. It was like a stock account when they used to play the margin. There was a remittitur or at least a run-down of the assets and the losses, your gains and losses.

The CHAIRMAN. As to these bettors who maintained an account, when they would place a bet back somewhere else with a Western Union agent, if they had a sufficient account to cover their bet, then they would not send money along.

Mr. HOUGH. There was no money sent; no, sir.

The CHAIRMAN. What was the form of the telegram that would be sent?

Mr. HOUGH. We have some of those here.

The CHAIRMAN. Maybe you had not gotten to that yet.

Mr. HOUGH. I had not gotten to that.

Mr. WHITE. First, I would like to clarify this with one question, Senator. These telegrams generally carried the notation "money on deposit."

Mr. HOUGH. That is correct.

Mr. WHITE. Which meant that the Western Union would guarantee that they were holding money in their local office to guarantee that bet.

Mr. HOUGH. That is right, or it was in process of being sent.

Mr. WHITE. And some managers kept a running account for all the bettors in their local office until the end of the month, when they settled up with Western Union, whether win or lose, and then either would transmit the additional or the balance of the money to Rich or Rich would transfer additional money to them.

Mr. HOUGH. To make up their losses.

Mr. WHITE. So their record was not only as agent but also as banker for the bookmaker.

Mr. HOUGH. That is right.

Mr. WALLACH. Here is a direct request and direct answer as to commission. This comes from the manager's office of the Western Union Telegraph Co. at Waterville, Maine. Robert L. Goode, addressed to C. J. Rich:

GENTLEMEN: From your wires to several prospective clients I assume you are anxious to open accounts here in this vicinity. I believe that possibly I could develop some business for you in Waterville and surrounding towns and wonder if this were possible, just what kind of proposition you could offer. Please write me telling me what you can offer in the way of commission for new business development on my own time and what you might possibly do in the line of supplying three or four customers that we would start with in the supplying of the daily Racing Form. Thank you for information.

Very sincerely yours,

Then there is quite a long letter in reply to it. I will read one paragraph:

We will be glad to make you what we feel is a good proposition. We will give you 25 percent of the winnings at the end of each month after deducting the necessary expenses as wire charges and form sheets only.

Then there are various other details.

The CHAIRMAN. So 25 percent of the——

Mr. HOUGH. This letter said of the winnings.

The CHAIRMAN. Of the winnings.

Mr. WHITE. Of Rich's winnings.

The CHAIRMAN. After deducting the expense of form sheets and telegrams only.

These telegrams, sent back after a person won something or in settlement of an account by C. J. Rich to the customer, were they sent collect or did C. J. Rich pay the charge?

Mr. HOUGH. C. J. Rich paid track odds.

The CHAIRMAN. Did they pay regular rates?

Mr. HOUGH. They have some literature here that they paid. I don't imagine they paid track odds.

Mr. WALLACH. Here is another:

DEAR MR. RICH: Enclosed find my check for \$200 to be added to my deposit.

You find a lot of letters like that, for instance. Here is another one like that. There are others, some for much greater amounts.

Here are a lot of New Year and Christmas cards from Western Union agents acknowledging Christmas gifts from Rich & Co.

The CHAIRMAN. Did you find out what sort of Christmas gift they sent, something they did not expect but appreciated very much?

Mr. WALLACH. One letter said it couldn't have come at a better time. I don't know what it was.

The CHAIRMAN. Have you found out what it was?

Mr. WALLACH. No; presumably cash.

The CHAIRMAN. Let me ask you, gentlemen, are there great stacks of records and correspondence in addition to what you have here?

Mr. HOUGH. Yes.

The CHAIRMAN. For the purpose of our committee hearings, could we get photostats of some of these pertinent parts?

Mr. HOUGH. I think Mr. White took a look at them.

Mr. WHITE. Also we have a copy of this list of names and addresses.

Mr. HOUGH. You have these already.

Mr. WHITE. The list of the Western Union men who are involved.

Mr. HALLEY. The card index that you have there, is every card in that index somebody whom you have checked and found to be a Western Union operator?

Mr. HOUGH. Definitely not. Frankly, we have made no further investigation than that—than to go through these records.

Mr. HALLEY. What information have you about the people whose names are on that card index?

Mr. HOUGH. Utterly nothing except designated as Western Union agents by a card on the front.

The CHAIRMAN. You mean it might be possible that some of them are Western Union agents who have not yet been hired but are simply prospects?

Mr. HOUGH. I didn't understand you.

The CHAIRMAN. Is it possible that some of those agents have never acted for Rich but are simply prospects?

Mr. HOUGH. They might be prospects. They might be some who have turned down the proposition. We don't know. Our investigation was completely limited to that which might show the commission of a crime in St. Louis County.

The CHAIRMAN. In other words, that is just a card index about which you know no more than shows on the face of the card.

Mr. HOUGH. That is right.

The CHAIRMAN. It is interesting, I know on some of these cards, for instance here is one M. M. McGuigan, manager, Western Union, Berkeley, W. Va., with a notation after that: "O. K., will take 25 percent deal, football, too." And then it has his home address and telephone number.

Mr. HOUGH. Evidently he handled football bets as well.

Mr. HALLEY. Did Rich book these bets themselves or did they lay them off?

Mr. HOUGH. That I don't know. The probabilities are that they booked them themselves.

Mr. HALLEY. Have you examined Rich?

Mr. HOUGH. No; and of course he would not be available to us.

Mr. HALLEY. Or any of the employees?

Mr. HOUGH. There were no employees except the major partners. In St. Louis County it was a storehouse. What they had on the east side, I don't know.

Mr. HALLEY. Where did the wires come in?

Mr. HOUGH. To East St. Louis.

Mr. HALLEY. Not to you.

Mr. HOUGH. No.

Mr. HALLEY. And these records were found in the storehouse.

Mr. HOUGH. At the storehouse.

Mr. HALLEY. Has the county attorney at East St. Louis made similar demands for records in his territory?

Mr. HOUGH. Not to my knowledge.

Mr. HALLEY. You mean Rich is operating over there with all his records intact and they have not been subpoenaed?

Mr. HOUGH. No; I don't believe that is so. I believe the records were stored.

Mr. HALLEY. But his operating records must be wherever the wires come in.

Mr. HOUGH. Probably so.

Mr. HALLEY. Those in the storehouse are probably old stuff. Would not that be a fair assumption?

Mr. HOUGH. No; this isn't very old.

Mr. WHITE. Wouldn't the scheme serve for the wires to come into the East St. Louis office of Western Union?

Mr. HOUGH. That is right.

Mr. WHITE. And Mr. Rich or one of his associates would go over there every morning and pick up the mail bag full of these telegrams and bring them over to this side for processing, and the establishment in St. Louis consisted only of an outlet of Western Union telegraph office, with the telegraph office as a mail address, so to speak, and the actual operation took place over here.

Mr. HALLEY. That clarifies it.

Where are Rich's records? He must have kept tabulations of expense, in his ins and outs, wins and losses. Where were they kept?

Mr. HOUGH. I imagine we probably have them out there. We have a whole series of books.

Mr. HALLEY. Have you looked at them in Western Union?

Mr. WHITE. Yes. We have an inventory of all the documents that were taken. We have not analyzed the accounts from the financial standpoint.

Mr. HALLEY. But they are there.

Mr. WHITE. They are there.

Mr. HALLEY. Can you tell from the other records which of the names on this list are actively employed by Rich, Mr. White?

Mr. WHITE. I think we can show by the telegram bills paid by the company, by the Rich Co., to what extent they had business with the various cities, and I think the telegraph bills paid coincides in most instances with the names on the card index. So it is reasonable to assume, from a spot check very casually of these rather voluminous records that the people in the card index were all active participants in the J. C. Rich scheme. Isn't that your impression, Mr. Wallach?

Mr. WALLACH. Yes.

Mr. HALLEY. Do we have the record of the payments here now?

Mr. HOUGH. What do you mean, the pay-offs?

Mr. HALLEY. No: the telegraph bills.

Mr. HOUGH. We have some of the telegraph bills. They consist of two boxes. Here are some bills from April of 1950. Someone said someone was interested in the Jersey account.

Mr. HALLEY. What I think the committee should have, because this committee is very interested in the interstate ramifications of this, is the names of the cities in as many States as possible, which is of great interest, provided there is reliable evidence that there is an actual operation or has been one in such a State. I think Colonel White's suggestion—for instance, in the State of Arkansas how many cities show telegraph bills?

Mr. HOUGH. That fills two large paper cartons.

Mr. WALLACH. Half the size of this table.

Mr. HALLEY. Let's start at the beginning with the city of Arkadelphia, Ark., with a telegraph bill of \$26.63 for the month of January 1950. Is the Western Union for Arkadelphia, Ark., in the card index?

Mr. WHITE. They are listed by name, not by city, in the index.

Mr. HALLEY. For instance, we conclude that the Arkadelphia business comes through a Western Union clerk or that it might be the result of Rich's many addressees, which might be completely independent of a Western Union clerk? How can we bridge that gap, Colonel White?

Mr. WHITE. I think it would be self-evident that where there is a bill rendered to the C. J. Rich & Co. by Western Union, that of course is evidence that C. J. Rich & Co. did pay the charges on messages to and from that city and that pursuant to their scheme of operations as shown by the correspondence here, the agent of the Western Union must necessarily have been the agent of and known about the booking operation involved.

Mr. HALLEY. He would know that a telegram was being sent, but would he necessarily be out soliciting the business for Rich and getting a commission on it?

Mr. WHITE. That could not be determined except in those instances where we have specific correspondence between Rich and the Western Union or an individual investigation of each Western Union agent listed in these cities.

Mr. HALLEY. It seems to me—

Mr. HOUGH. A Betty Woodall, Betty J. Woodall, makes the direct statement that the commission should be \$262 on this. It is written on the stationery of the Western Union Telegraph Co. manager's office.

The CHAIRMAN. Off the record.

(Discussion off the record.)

Mr. WALLACH. Here is a man who says he is closing the year more than \$60,000 in the red.

Mr. HALLEY. Here she is, Betty J. Woodall, Stuttgart, Ark.

Mr. WALLACH. Here is a man who sold his oil well for \$265,000 and ended up the year in the red \$65,000 on bets.

The CHAIRMAN. Here she is, Betty J. Woodall, manager, Western Union, Stuttgart, Ark., has \$20 written on the card.

Mr. HOUGH. \$20 or maybe 20 percent.

Mr. HALLEY. I think we probably can draw some conclusions, Mr. Chairman, and save time and let the investigation proceed. We can conclude that Western Union had knowledge that bets were being transmitted from every town on this list. We can further conclude that certain of the Western Union agents who can be specifically identified were undoubtedly acting as commission agents for Rich. Exactly how many were we can't tell until a tabulation is made based on the correspondence as well as the bills. Although the card index might be some result, although it might result in an injustice being done. If we assumed that somebody on the list had accepted. As you say, somebody on the list might be just one who refused.

The second question, what other evidence is there other than that you have given up to this point involving the manager of one city in Iowa, I believe, that higher officials of Western Union had knowledge of this practice. Of course we can assume that the district supervisors and such kept a pretty close check of the business that their offices had, but that is an assumption that would have to be backed up by further investigation. But have you any evidence at all that will take this knowledge beyond the individual clerk at the Western Union stations, with the exception of one manager?

Mr. HOUGH. By that do you mean that some official of the Western Union contacted Rich & Co. by letter or some memorandum and suggested—

Mr. HALLEY. I would not go that far, but it stands to reason that any large company, the employment of a large number of its clerks by some other organization for its own purposes, is bound to be known. Western Union had reason to want this done obviously to get business, but is there any evidence that Western Union connived in this and knew it was going on?

Mr. HOUGH. Nothing except the facts that we have here, which Rich & Co. received, voluminous correspondence talking about bets, solicit-

ing bettors, and upon Western Union stationery and signed as manager of the specific office to which they were assigned.

Mr. HALLEY. Of course, it is obvious if this went on in any office the manager had to know it.

Mr. HOUGH. Yes.

Mr. HALLEY. But in a small town the office consisted probably of two or three people, and the manager undoubtedly is the fellow who is doing the soliciting.

Mr. WALLACE. Most of that is from managers.

The CHAIRMAN. Do you find any correspondence with any officials in the central office of Western Union?

Mr. HOUGH. No, sir; we did not.

Mr. HALLEY. Have any of the managers been interrogated to find out if they had clearance from above?

Mr. HOUGH. There were none that were available to us even under subpoena. They were not in our State.

Mr. WHITE. You did find considerable correspondence in there that would indicate that the managers felt a necessity to build up their revenue in the district offices.

Mr. HOUGH. Oh, yes; we did find that, and we found the telegrams that ordinarily were sent were obviously making bets. They spoke of parlaying and betting across the board, win, and place.

Mr. WHITE. There was a double motive, one on the part of the manager perhaps to obtain a commission on the total winnings, and the other to build up the revenue for the company itself as evidenced by the correspondence.

Mr. HOUGH. There were several letters to that effect. However, I would say the principal reason the man was soliciting bets was to make a little money. He was getting 25 percent of the winnings.

The CHAIRMAN. What is the evidence or the indication of the size of this operation of C. J. Rich Co.?

Mr. HOUGH. I would say somewhere between \$150,000 and \$300,000 a month.

The CHAIRMAN. You mean that was the amount of money that would be bet with them?

Mr. HOUGH. Yes, sir.

The CHAIRMAN. In a month. Did you get a ledger that showed it?

Mr. HOUGH. Just from going through these telegrams showing the amount of bets, from letters showing the amount of bets, and the bills from Western Union Co.

The CHAIRMAN. Are they all on horses, or are they on any other sport events?

Mr. HOUGH. I see several gentlemen made inquiries as to baseball and football bets as well as to Presidential elections. They were requesting the odds on that.

The CHAIRMAN. But you don't find any completed transactions for any except horses.

Mr. HOUGH. Horses, yes.

(Discussion off the record.)

Mr. HALLEY. First, Maury Cooper. With reference to Maury Cooper, does he operate on an interstate basis to a great extent?

Mr. HOUGH. I would say not. I have known Cooper through reputation as a local gambler.

Mr. HALLEY. He is a big local bookie.

Mr. HOUGH. He has booked, but he is a true gambler. He loves to gamble.

Mr. HALLEY. That letter you had from somebody in Iowa indicates that Cooper has been soliciting these out-of-State bets.

Mr. HOUGH. Probably so. He was probably taking the bets off or something.

Mr. HALLEY. Probably fighting for the business because there seemed to be some keen competition up there.

Mr. HOUGH. Yes.

Mr. HALLEY. Have you any information about the interstate operations of Cooper at all?

Mr. HOUGH. No.

Mr. HALLEY. He is supposed also to be active in Florida. Did you know that?

Mr. HOUGH. No, I did not.

Mr. HALLEY. How about this man Carroll here in St. Louis? Does he operate interstate?

Mr. HOUGH. My knowledge of Carroll's operation is simply from the newspapers. I have no knowledge of my own. You see, we are in the county. Carroll, whatever his operations are, is in the city of St. Louis.

Mr. HALLEY. You do not function in the city after all.

Mr. HOUGH. No, sir. It is a different venue altogether.

The CHAIRMAN. So that it will be a part of our record, how would it be that we have as an exhibit such information and photostats as may work out with you all that we may need for our record. Is that satisfactory, gentlemen?

Mr. HOUGH. Yes.

The CHAIRMAN. At this point, Mr. White has a memorandum about the operation, doesn't he?

Mr. WHITE. Yes.

The CHAIRMAN. That will be helpful in the description of the operation, and that will be made a part of the record at this time.

(The documents referred to are identified as exhibits Nos. 17 and 18, and are on file with the committee.)

The CHAIRMAN. How about the Melba Co.?

Mr. HOUGH. Melba? I don't think I have ever heard of that.

Mr. HALLEY. They operate in the city. His jurisdiction is outside of the city. He was just explaining that.

The CHAIRMAN. I thought there was some information that they had an office in St. Louis also.

Mr. HALLEY. He would not know about what happened in St. Louis, you see. He is in St. Louis County.

Mr. HOUGH. We have three jurisdictions all of which are foreign to each other.

The CHAIRMAN. Off the record.

(Discussion off the record.)

The CHAIRMAN. We certainly do thank you very much. Mr. Wallach and Mr. Hough.

Mr. Boyle, I am glad to see you, sir. Do you solemnly swear that the testimony you will give this committee will be the whole truth and nothing but the truth, so help you God?

Mr. BOYLE. I do.

**TESTIMONY OF J. W. BOYLE, PUBLIC ACCOUNTANT, FIRST NATIONAL BANK BUILDING, EAST ST. LOUIS, ILL.**

Mr. HALLEY. Mr. Boyle, what is your occupation?

Mr. BOYLE. I am a public accountant.

Mr. HALLEY. And where is your office located?

Mr. BOYLE. First National Bank Building, East St. Louis, Ill. We have a branch office at No. 4 North Eighth Street, St. Louis.

Mr. HALLEY. A subpoena was served on you for the production of certain records. Do you have a copy of the subpoena with you?

Mr. BOYLE. Yes.

Mr. HALLEY. May I have it? [Document produced.]

You were served in East St. Louis. Did you construe this subpoena to be limited in any way to records in your possession in East St. Louis?

Mr. BOYLE. No, no. We have no records in our St. Louis office that pertain to this information.

Mr. HALLEY. The subpoena directs you to bring with you all books and records of transactions relative to certain people. I will list them and will you tell the committee whether you do represent them or ever have represented them and then whether you have any books and records in your possession.

The first is Frank Wortman.

Mr. BOYLE. No.

Mr. HALLEY. You never have represented him?

Mr. BOYLE. No, sir.

Mr. HALLEY. Ed Wortman.

Mr. BOYLE. No, sir.

Mr. HALLEY. John English.

Mr. BOYLE. Yes, sir; not in connection with this Harlem Association, but we have made tax returns for John T. English, of East St. Louis.

Mr. HALLEY. Do you have copies of those returns here?

Mr. BOYLE. I have them at my office. I don't have them here.

Mr. HALLEY. They were intended to be included in this subpoena. Can you get those?

Mr. BOYLE. I can get them; yes, sir.

Mr. HALLEY. With the work sheets pertaining to them.

Mr. BOYLE. All the information we have, we will have with them.

Mr. HALLEY. Thank you.

Frank Hackethal?

Mr. BOYLE. Yes; we made tax returns and we have them here.

Mr. HALLEY. Now the Harlem and Eagle Park Lottery.

Mr. BOYLE. The Harlem Association is a partnership which is a successor to the Eagle Park Association. I have the tax returns and the reports and working papers that we have had in connection with the preparation of those returns.

The CHAIRMAN. What is the name of that association?

Mr. BOYLE. Harlem, H-a-r-l-e-m.

The CHAIRMAN. This is a partnership?

Mr. BOYLE. Yes, sir.

The CHAIRMAN. Who are the partners?

Mr. BOYLE. Would you care to take them off here [indicating paper]? I believe that would probably be a little faster.

The CHAIRMAN. This is part of the record, so we can get it from that.

Mr. BOYLE. Yes.

The CHAIRMAN. The answer to that is that there are about 11 partners on the records which you have submitted to the committee.

Mr. BOYLE. That is right.

Mr. HALLEY. The technical name is Harlem Association.

Mr. BOYLE. Yes.

Mr. HALLEY. What is its business?

Mr. BOYLE. It is a policy game.

The CHAIRMAN. Tell us how it operates.

Mr. BOYLE. I don't know. I will tell you what I know about it. The people who are called writers buy sales books of tickets from this organization, and they sell chances—not chances, you might say bets—to colored people primarily, who pick combinations of numbers. They fix these numbers on these tickets and get a receipt for whatever sums of money they may bet. These tickets, one copy apparently is turned in to this organization together with the money, and twice daily when they are operating they have a drawing. If the number of any individual comes up in sequence in the numbers that are drawn they win certain moneys.

(Off the record.)

The CHAIRMAN. Where are most of the sales made?

Mr. BOYLE. I haven't the remotest idea.

The CHAIRMAN. Lovejoy is right across the river, is it?

Mr. BOYLE. Lovejoy is in Illinois, that is correct, sir.

The CHAIRMAN. Just across the river.

Mr. BOYLE. That is correct.

Mr. HALLEY. How do you get your information?

Mr. BOYLE. We send one of our men up there once a month and he examines their books.

Mr. HALLEY. Where do you send your man, to an office?

Mr. BOYLE. To Lovejoy.

Mr. HALLEY. Where is the office located?

Mr. BOYLE. I couldn't give you the exact address. Lovejoy is a small Negro town, practically a one-street affair. It is on the main street. It is a large wooden building. I have been there once or twice. I don't know the exact address.

Mr. HALLEY. Do your men when they go to Lovejoy see books and records from which they take certain information?

Mr. BOYLE. Surely. They keep records.

Mr. HALLEY. Right in that office?

Mr. BOYLE. Where the records come from.

Mr. HALLEY. They keep records right in the office at Lovejoy.

Mr. BOYLE. That is right.

The CHAIRMAN. What does "take" mean here? The first thing, you have "take" and "hits" and "profit."

Mr. BOYLE. "Take" means the money that is taken in, the gross money. The "hits" mean the amount of money that is paid back. The balance would be the profit or loss.

Mr. HALLEY. What are these different games? Panama, M. K. T., Dream, and Money Bags?

Mr. BOYLE. I couldn't tell you, sir. It is too complicated for me, those money games.

Mr. HALLEY. It sounds almost incredible that in the period from January 1 to March 31 in the games—let's take Panama. I don't know the game, but I presume the game is rigged by the people who run it. How could they be hit for more money than they took in? They are not stupid people, are they? They don't set up their own game so they pay out more than they take?

Mr. BOYLE. The supposition is that the clerks they have working for them are smarter than the management.

Mr. HALLEY. You mean somebody is stealing some money somewhere?

Mr. BOYLE. That is the supposition.

Mr. HALLEY. You don't set up and operate a gambling game at odds so that you are paying out more than you are taking in. That is utterly impossible.

Mr. BOYLE. That is right.

Mr. HALLEY. Therefore if they say they were hit for \$135,000 and their total take was \$131,000, giving a loss of \$3,627.95, the inevitable conclusion would be that somebody has stolen some money.

Mr. BOYLE. That would be my impression, yes, sir.

Mr. WHITE. Mr. Boyle, you say that these drawings are made twice a day, and they are drawn presumably by drawing numbers out of a bowl or something of that sort. Isn't any numbers or lottery scheme paid off in accordance with certain set figures published in the newspapers so they couldn't be juggled? Isn't that correct?

Mr. BOYLE. I believe this organization has a set schedule of odds, that they pay for different combinations. I don't believe that their conclusions or the dominant factor that determines the win or lose has anything to do with the published figures like Treasury receipts or anything of that character.

Mr. WHITE. To arrive at the winning number they merely pull a number out of the hat themselves as opposed presumably to a fool-proof scheme where they take the day's Treasury receipts from a newspaper.

Mr. BOYLE. They have some elaborate method for pulling these things out. I have never seen it operated and I am not an authority on it.

Mr. WHITE. I am sure you are not.

Mr. BOYLE. I believe they have open drawings. I don't know, but I believe that these games are patronized about 100 percent by Negroes. I don't believe anybody would care to be there.

Mr. HALLEY. What I want to know, Mr. Boyle, hasn't the Bureau of Internal Revenue contested these figures?

Mr. BOYLE. They check these people regularly.

Mr. HALEY. They have a representative here, do they not? Do you want to take a look at this chart? We will ask for your help as an expert.

The CHAIRMAN. Let me see, there are 12 partners listed with various percentages of ownership. You seem to have three, Mr. D. C. Watson, F. Hackethal and C. E. Tietje, who are the partners that apparently draw salaries, so I take it they actually do the work, do you know?

Mr. BOYLE. I believe so; yes, sir.

The CHAIRMAN. Where do they live?

Mr. BOYLE. Let's see, now. Mr. Tietje, I believe, lives in East St. Louis. Who was the first man, Watson? I think he lives in Lovejoy. He is a colored man. The other man lives in Madison County north of Nameoki.

Mr. WHITE. We have him under subpoena.

Mr. HALLEY. Let's take a look at these figures. Here is a game called Panama, which is one of their numerous games. They claim that their total intake was less than the total number they have had to pay out. On the surface it is absolutely impossible. Even their own accountant here, as you have seen, will agree with that. He says one of the employees must have stolen it. Of course that is one conclusion. Another conclusion is that they are falsifying the takes or the hits. I don't know which conclusion would be right, but it is obvious that nobody could possibly be stupid enough to set up a numbers game in which he would be hit for more than he took in.

Mr. DONALD McCCLURE (special agent, Internal Revenue Service, St. Louis). It does seem strange.

The CHAIRMAN. All right, let's see what else Mr. Boyle has here.

Mr. HALLEY. Do we have all these records now? You have given us a batch of records which are the records of the Harlem Association, is that right?

Mr. BOYLE. That is right, and the Eagle Park Association, which was its predecessor.

Mr. HALLEY. We will take them one at a time. I offer in evidence the records of the Harlem lotteries produced by Mr. Boyle.

The CHAIRMAN. That will be received in evidence and made a part of the record.

(The documents referred to were identified as exhibit No. 19 and were returned to the witness after analysis by the committee.)

Mr. HALLEY. We have all the records which you have of the Harlem Lotteries?

Mr. BOYLE. Yes, you have all our records pertaining to it.

Mr. HALLEY. And their records are in their own office?

Mr. BOYLE. That is correct.

Mr. HALLEY. And you have seen them there?

Mr. BOYLE. We deliver them to them and our man checks them.

Mr. HALLEY. You have some records of the Eagle Park Lottery, I think you said.

Mr. BOYLE. That is correct.

Mr. HALLEY. We offer in evidence the records of the Eagle Park Lottery.

(The documents referred to were identified as exhibit No. 20, and were later returned to the witness.)

Mr. HALLEY. Where is Eagle Park?

Mr. BOYLE. That is a predecessor partnership to this other one.

Mr. WHITE. It is exactly the same organization with a different name, isn't that correct?

Mr. BOYLE. That is right.

Mr. HALLEY. You have records pertaining to the Hyde Park Club?

Mr. BOYLE. No, we know nothing about the Hyde Park Club or any of the individuals involved in it.

Mr. HALLEY. You have never done any work for them?

Mr. BOYLE. That is quite correct.

Mr. HALLEY. Louis Arcatera?

Mr. BOYLE. No.

Mr. HALLEY. You have done no work for them?

Mr. BOYLE. No.

Mr. HALLEY. Gregory Reed Moore?

Mr. BOYLE. The same for him.

Mr. HALLEY. And J. T. Connor?

Mr. BOYLE. That is right, the same for him.

Mr. WHITE. You did say you had some records of J. T. Connor?

Mr. BOYLE. No, no.

Mr. WHITE. I am sorry.

Mr. BOYLE. In connection with the Harlem Association, the subpoena asked for records in connection with one John English in connection with the Harlem Association.

Mr. WHITE. No.

Mr. BOYLE. John English is not connected with the Harlem Association so far as we know.

Mr. WHITE. In any case the intent of the subpoena was to call for any records that were in your possession relative to financial transactions of Mr. John English. Do you have any such records?

Mr. BOYLE. We have tax returns of Mr. John English, the commissioner in East St. Louis. We will be happy to send them over.

Mr. WHITE. Will you do so, please. Do you represent the East Side Service Co.?

Mr. BOYLE. No.

Mr. WHITE. Mr. Boyle, when Mr. Hackethal was subpoenaed and was directed to bring with him all books, records, and tax returns of his own and also the records of the Eagle Park and Harlem lottery. Mr. Hackethal stated to me that he did not think that you would give him those records. Can you give me an explanation of why he would think that you would not give him such records?

Mr. BOYLE. I haven't the remotest idea. The records we have are ours, and they are open to our clients if they want them. They certainly are entitled to examine them. We don't make a business of parting with file records, but we do make copies of them. People lose tax returns and we constantly make copies for them.

Mr. WHITE. The implication of what Mr. Hackethal told me was that you would not permit that information to be disclosed, and I wondered if you could give any explanation for that rather curious attitude on his part.

Mr. BOYLE. I am sorry, I can't. The information the Government wants we are going to disclose very rapidly.

The CHAIRMAN. Anything else?

Mr. HALLEY. What other records have you with you?

Mr. BOYLE. Frank Hackethal's file of tax returns.

Mr. HALLEY. We will take it into the record, if you will identify it. Is that all Frank Hackethal?

Mr. BOYLE. No, this one file is of Frank Hackethal. The other files are Harlem Association and Eagle Park.

Mr. HALLEY. Fine. That will all be taken in.

The CHAIRMAN. That will be made a part of the record.

(The documents referred to were identified as exhibit No. 21 and were later returned to the witness.)

Mr. BOYLE. He is one of the partners of the Harlem Association.

Mr. HALLEY. Do you know who does the accounting for the Hyde Park Club?

Mr. BOYLE. It is my understanding—I don't know this to be a fact, but it is my understanding that an individual by the name of James Brown does that.

Mr. HALLEY. Does he have an office?

Mr. BOYLE. James W. Brown. I believe he has an office in St. Louis.

Mr. HALLEY. Thank you.

The CHAIRMAN. Thank you very much, Mr. Boyle.

Mr. BOYLE. Gentlemen, I would like to ask you—I have a brief case here. Some time in the future may I reclaim these files?

Mr. HALLEY. Why not do this? You don't need the brief case? We have done this in the past where we don't want to keep files indefinitely. If you don't need the brief case, we will keep them in the brief case so they will be intact.

The CHAIRMAN. Mr. White is going to remain here after our Kansas City hearing and he will get the files back to you.

Mr. BOYLE. Very good.

The CHAIRMAN. All right, Mr. Boyle. We thank you very much.

Mr. BOYLE. I will send you the other files.

(Discussion off the record.)

The CHAIRMAN. Are you Mr. Hackethal? Come over here, sir, if you please. Mr. Hackethal, do you solemnly swear that the testimony you will give this committee will be the whole truth and nothing but the truth, so help you God?

Mr. HACKETHAL. Yes, sir; I do.

#### TESTIMONY OF FRANK HACKETHAL, NAMEOKI, ILL.

Mr. HALLEY. What is your business, Mr. Hackethal?

Mr. HACKETHAL. I am not working at all at the present time. I have been out of work about a year. I live at Nameoki, Ill.

Mr. HALLEY. Illinois?

Mr. HACKETHAL. Illinois.

Mr. HALLEY. You say you have been out of work for about a year?

Mr. HACKETHAL. Almost a year.

Mr. HALLEY. Have you had no occupation whatsoever?

Mr. HACKETHAL. No.

Mr. HALLEY. Have you drawn any salary from any business?

Mr. HACKETHAL. No, sir.

Mr. HALLEY. Are you sure of that?

Mr. HACKETHAL. Well, now, no I haven't drawn any salary, but I did have an interest in the Harlem Association. I drew my percentage when they operated.

Mr. HALLEY. What is the Harlem Association?

Mr. HACKETHAL. Maybe we are getting the horse before the cart here, but that is what I mean.

Mr. HALLEY. What is the Harlem Association?

Mr. HACKETHAL. It is a policy game.

Mr. HALLEY. What kind of policy game?

Mr. HACKETHAL. I never heard of only one kind of policy game. The principle of this game is that a number of writers, I think 99 percent of them are colored, in fact at least that many, have their little districts or areas or little stations where they have their cus-

tomers come in and write plays with them. We have little capsules—that was our arrangement. Recently we have changed that and have little plastic balls that have the numbers. The little plastic—I haven't been down there since they have this other outfit. They are 3 inches long and a half inch in diameter. Inside of that is a paper with a large figure. It is 3 inches square, this paper, bond paper. It has a number printed on there, from 1 to 78, inclusive. The writer sits at his desk. He has a little sales book. The customer comes in and he will say "I want to play some numbers." "O. K., what do you want?" Those people generally play on hunches. Say this is the seventh month and the eighteenth day. He will say "I will take 7 and 18, and I want to play a nickel on that. I want to play it straight. That is, he bets that those two numbers—there are 12 drawn out of the 78 when the drawing occurs. If those two numbers come together, that is like betting a horse to win. It is the same principle as a horse race. Or he can say sides and flats. Of course if they come together and he plays them straight he gets \$9. If they don't come together, are separated by one or more numbers, he doesn't get anything.

In case he plays them for sides and flats, he might put a nickel for straight and a nickel side and flat. In that case, say the numbers are sided together, for that dime he would get \$14.25. He would get \$9 for his one nickel and \$5.25 for the other.

It is like betting a horse to win and to show. I guess place is the next position.

In case he just plays the side and flat, and the numbers are separated by one or more numbers, he gets 75 cents. That protects his number. That is the principle of the policy game.

The newspapers have always confused the policy game with the lottery. The policy game is not a lottery. In order to constitute a lottery, we have the rulings from Washington on this, the writer or the operator, rather, or his agent, must sell a number or a series of numbers. In other words, if I have a bunch of tickets in my pocket, with all five numbers, I take them out and say would you like to take a number today? You take one. I have sold you a number there, you see. That constitutes the lottery. We have rulings on that, which is, we understand, a violation of the Federal laws, but the policy game we don't sell them anything. We don't even sell them that piece of paper that they write their numbers on. It is just like a bingo game. Then the writer after he has written his book, we will say he writes \$40 worth of plays today, then he brings those up. They are called a book. They are written in triplicate.

Mr. HALLEY. Where are most of your customers?

Mr. HACKETHAL. In East St. Louis.

Mr. HALLEY. Do you have customers in St. Louis?

Mr. HACKETHAL. Well, we don't know that, you see, because there may be people who come over from St. Louis and bring plays over there and give them to the writers there. We don't have any office or anything like that in St. Louis.

Mr. HALLEY. Why do you not? Is there not a large Negro population in St. Louis?

Mr. HACKETHAL. Because we have a fair business over there and we have never tried to expand into St. Louis.

Mr. HALLEY. Are you afraid to get into an interstate operation?

Mr. HACKETHAL. Oh, no. We are not afraid of that. There are some writers over there.

Mr. HALLEY. There are some writers over there?

Mr. HACKETHAL. There are writers to bring plays over from St. Louis.

Mr. HALLEY. You know that, don't you?

Mr. HACKETHAL. Yes. I don't know how many there are. You see—

Mr. HALLEY. But you would be willing to admit there must be some.

Mr. HACKETHAL. Oh, yes, I would.

Mr. HALLEY. You know it right now, don't you?

Mr. HACKETHAL. Well, when I left there, almost a year ago, there were St. Louis writers; yes, sir.

Mr. HALLEY. There were people that you knew who lived in St. Louis to do your writing and they worked over here.

Mr. HACKETHAL. Yes; I will answer that, surely.

Mr. HALLEY. The question was you have people who you knew lived in St. Louis, operated in St. Louis and wrote their numbers here in St. Louis.

Mr. HACKETHAL. That is true.

Mr. WHITE. Fortune Humphries is one of those operators?

Mr. HACKETHAL. Fortune Humphries; yes. The only name I ever knew him by was "Nails." He had long fingernails.

Mr. HALLEY. You say you worked until about a year ago?

Mr. HACKETHAL. I think I left there in September. I went to Mayo's to have a very serious operation and I have been unable to work since.

Mr. HALLEY. What did you do there when you worked?

Mr. HACKETHAL. I sort of oversaw the place and watched those people so there wouldn't be any stealing. It is a full-time job for about three men in there looking after that. All of our help, with the exception of three, I believe, are colored. We have three in the office. Those writers are independent agents. We have a ruling on that also. We don't pay any social security on them. We have no jurisdiction over them. We don't transport them.

Mr. HALLEY. We are not beating about the bush. You know what they are doing and they are doing it for you. Whether they are independent agents or not, legally, isn't of great interest at that point.

Mr. HACKETHAL. They are not doing it for us. We don't hire them. They are doing it for themselves on 25-percent commission. They bring in the plays. In round figures they play in, say \$40. They pay us \$30, they keep \$10 and we take the chances on the plays.

Mr. HALLEY. Let's stay right with this thing. How many partners are there in the Harlem Association and who are they?

Mr. HACKETHAL. I believe it would be much better—Mr. Boyle was out there and he has all those records and the names of the partners. This was given to me yesterday, and those are the partners and their percentages. Some of them just have the name of Frank and Cliff, and so on.

Mr. HALLEY. Where did you get this, from Boyle?

Mr. HACKETHAL. From Boyle's office.

Mr. HALLEY. Then it is just the same as what he had. How do you get to be a partner in the Harlem Association? How did you get to be a partner?

Mr. HACKETHAL. In 1941, in March, Mr. Harry Murdock, who is now deceased, sent to me, he lived out on Collinsville Road. He asked me to look after this thing. For 3 months straight they had had terrific losses. He said somebody down there is stealing.

Mr. HALLEY. You can't lose money in that business unless somebody steals; isn't that right?

Mr. HACKETHAL. There are so many ways of their changing numbers and things of that sort. That was my duty, to watch that part of it. He said I want you to get down there and take charge of that. You are going to be the boss. I said, "Harry, I don't know anything about the game. I don't know anything about that."

He said, "You go down there and stand around and you are smart enough to know whether they are stealing or not."

Mr. HALLEY. Who was this who asked you to do that?

Mr. HACKETHAL. Harry Murdock.

Mr. HALLEY. Is he a partner?

Mr. HACKETHAL. No; he is dead now. It was Harry Murdock, Eddy Pohlman, brothers-in-law, Clifford Phayer, who is down in Oklahoma drilling some oil wells—or trying to. Those three men.

Mr. HALLEY. Did they organize it?

Mr. HACKETHAL. They organized it.

Mr. HALLEY. Who decides what interest these persons should have? For instance, we have Vic Doyle here, at 17 percent. Who figures that out?

Mr. HACKETHAL. Each of those had 25 percent, Watson, Pohlman, Murdock, and Phayer. Then later Mr. Pohlman let me have 5 percent. Valuation of the equipment and the money we had in there was about \$18,000. So I paid him 5 percent of \$18,000 which gave me a 5 percent interest. Later, Murdock sold me 2½ percent. In the meantime Clifford Phayer—there have been a lot of partners and there have been a lot of changes made in this. Clifford Phayer sold some of his to George Stearns and to Benny Frissell and to Pete Dematies. They were all residents of Nameoki, where I live.

Mr. WHITE. They were all well-known gamblers, were they not?

Mr. HACKETHAL. Oh, no. They were real-estate men. Dematies ran a filing station, so I understand. I didn't know him very well. But Stearns has been a real-estate man all his life. Eddy Frissell has been a real-estate man all his life.

Mr. HALLEY. You get a share of the profit; is that right?

Mr. HACKETHAL. That is right. I got 8 percent.

Mr. HALLEY. You also get a salary, do you not?

Mr. HACKETHAL. When I work.

Mr. HALLEY. Don't you get a salary today?

Mr. HACKETHAL. No, sir.

Mr. HALLEY. Are you absolutely sure of that?

Mr. HACKETHAL. I am. My income-tax returns will show that, and we have them all.

Mr. HALLEY. If the books and records of the company show you get a salary would you say the books are wrong?

Mr. HACKETHAL. Yes, sir; if they have me down for a salary they put it down there wrong.

Mr. HALLEY. Without your knowing it?

Mr. HACKETHAL. Yes, sir.

Mr. HALLEY. You have gotten no salary since when?

Mr. HACKETHAL. I think we worked about a month after the first of the year. I went down there a week, and I had an operation and the doctor warned me not to do anything for a year and a half.

Mr. HALLEY. When was this?

Mr. HACKETHAL. At Mayo Brothers in October.

Mr. HALLEY. October of 1949?

Mr. HACKETHAL. That is right.

Mr. HALLEY. Have you done any work since then at all?

Mr. HACKETHAL. Nothing, only I built a house and I tinkered around.

Mr. HALLEY. Referring to Harlem, have you done any work for Harlem?

Mr. HACKETHAL. No, no.

Mr. HALLEY. You said you worked about a month since the first of the year.

Mr. HACKETHAL. I think it was about that much.

Mr. HALLEY. What year, this year or 1949?

Mr. HACKETHAL. I came back on Thanksgiving Day. I don't remember now. It was just before the New Year or the month after.

Mr. HALLEY. It was after your operation?

Mr. HACKETHAL. Yes, sir.

Mr. HALLEY. You did work for about a month?

Mr. HACKETHAL. I think about a month. The record will show that conclusively.

Mr. HALLEY. This lottery is illegal in Illinois, is it not, or this policy game as you call it?

Mr. HACKETHAL. You mean for the State of Illinois?

Mr. HALLEY. For the State of Illinois.

Mr. HACKETHAL. I suppose the law enforcement could close it like they do the bingo games.

Mr. HALLEY. Why don't they close it?

Mr. HACKETHAL. I don't know. I will tell you one reason they don't, because we kept 500 incapacitated Negroes off the relief rolls in St. Clair County. That is one reason.

Mr. HALLEY. They knew you were keeping these Negroes off the relief rolls?

Mr. HACKETHAL. I am sure they did.

Mr. HALLEY. Then they also must have known you were operating a policy game.

Mr. HACKETHAL. I don't know.

Mr. HALLEY. They could not know one without knowing the other.

Mr. HACKETHAL. They know when it goes down. They are all down on relief rolls.

Mr. HALLEY. Then they do know you are operating a policy game.

Mr. HACKETHAL. I don't know what they know because I don't know any of those people. I never had any contact with them. I am from Madison County and I work down there. I don't know those people or what they know. I have never discussed those things with them.

The CHAIRMAN. Would it be convenient for you to come back at 2 o'clock?

Mr. HACKETHAL. Certainly.

The CHAIRMAN. All right, sir. We will excuse you until then.

(Whereupon, at 12:40 p. m. the committee recessed until 1:45 p. m. the same day.)

AFTERNOON SESSION

(Whereupon, the committee reconvened at 2:20 p. m. pursuant to the taking of the noon recess.)

The CHAIRMAN. All right, Mr. Hackethal.

FURTHER TESTIMONY OF FRANK HACKETHAL, NAMEOKI, ILL.

Mr. HALLEY. When we adjourned for lunch you were explaining to us how it was possible for a policy game to operate without being interfered with by the police or the sheriff's office or the State's attorney.

Would you tell us about that, Mr. Hackethal?

Mr. HACKETHAL. In the first place, this policy room is a large room as wide as that, a little wider, and almost twice as long.

Mr. HALLEY. You mean the office?

Mr. HACKETHAL. No, sir; that is the room where the drawing is held.

Mr. HALLEY. I see.

Mr. HACKETHAL. In there there are a number of chairs and tables where the writers come in to check their books and whatnot. In back of that is a long counter where our clerks work. Those are our employees back of the counter. We have a doorman. When those people come up there we try to keep out any extra visitors, not that we have ever tried to keep anyone out, but because of the space. The doorman knew all the writers who brought those books in and would permit them. But the doors open and close at will. There never has been a police officer or any official to my knowledge down there as long as I was there, and I was there I would say from maybe March 1941.

Mr. HALLEY. Where is this office located?

Mr. HACKETHAL. It is located at Second and Madison Streets in Brooklyn. It is in the back of the tavern, in the back and to the side of the tavern.

Mr. HALLEY. Is Brooklyn a separate city?

Mr. HACKETHAL. Oh, no; that is Lovejoy. It was called Brooklyn some years ago. The post office gave it a new name, Lovejoy.

Mr. HALLEY. Is Lovejoy a separate municipality?

Mr. HACKETHAL. Yes, it is; 2,200 people.

Mr. HALLEY. Does it have a mayor?

Mr. HACKETHAL. Yes.

Mr. HALLEY. A chief of police?

Mr. HACKETHAL. That is right.

Mr. HALLEY. Do you know them personally?

Mr. HACKETHAL. I know Mayor William Terry.

Mr. HALLEY. Where do you live?

Mr. HACKETHAL. I live at Nameoki.

Mr. HALLEY. Near Lovejoy?

Mr. HACKETHAL. It is 8 miles, I would say.

Mr. HALLEY. Have you ever contributed to the campaign of the mayor?

Mr. HACKETHAL. I never have.

Mr. HALLEY. Or any other public official?

Mr. HACKETHAL. No public officials.

Mr. HALLEY. Do you think any of the people in the policy game, the Harlem game, for instance, contribute?

Mr. HACKETHAL. If they do, sir, it would be unbeknown to me, because if they do they do it out of their personal funds and personal money.

Mr. HALLEY. I am going to ask you a question, and I want to preface it. We are investigating this and we are going to go through with it.

Mr. HACKETHAL. I will answer truthfully.

Mr. HALLEY. At this point your answer will just be for the record and for purposes of possibly later on finding out if you perjured yourself.

Mr. HACKETHAL. All right.

Mr. HALLEY. Does the Harlem policy game, which is known as—what is the technical name of it?

Mr. HACKETHAL. Harlem Association.

Mr. HALLEY. Does the Harlem Association pay off or bribe any public official whatsoever in connection with its operations?

Mr. HACKETHAL. No, sir. I can say this.

Mr. HALLEY. Has it ever to your knowledge?

Mr. HACKETHAL. No, sir. I was the only man outside of D. C. Watson, who is a Negro, who was authorized to sign checks. No one else. And every disbursement was made by me. You will find that we have Mr. Boyle's records, our payroll for each week, and I write a check for the full amount of that payroll. All of our money is banked, and it is withdrawn by check only. There is no other way of withdrawing from the bank.

Mr. HALLEY. Are you now testifying that there are no cash disbursements made by Harlem Association?

Mr. HACKETHAL. If there is, there is a bill in Mr. Boyle's file for it. Maybe a man will come in from Wood Stationery, with, say, a gross of pencils or some ink or something like that. Then the bookkeeper, the clerk, has the authority, we have a cash fund of \$200, we keep \$200, and he pays out of this cash box, and he puts the bill in there. When Mr. Boyle's man comes up there he has all these bills in readiness for him, and of course that is all audited.

Mr. HALLEY. I will ask you just once again, Have you any knowledge of any bribe that was ever paid by or on behalf of the Harlem Association to any public official, police officer, or political figure whatsoever?

Mr. HACKETHAL. No, sir. The only money that has ever gone out—and these are right in your records—is at the time we have the police circus here in St. Louis, they have a committee of four or five police officers who make the rounds of the tri-cities, the garages, stores, taverns, and what not, and they have those police circus tickets, for the police fund. We have always bought 25 or so of those. I have bought them myself and would turn in the bill down to my bookkeeper. I would be reimbursed for that out of the cash fund, and those tickets would give to the children up at Nameoki, children up there who couldn't afford it, also not the police department alone, the fire department is the same thing. They would send their men over every year.

MR. HALLEY. Would the policemen and firemen come right up to the hall?

MR. HACKETHAL. No. In fact, our doorman wouldn't permit them to come in if they did go there. Sometimes, on several occasions I saw them at Joe Goodrich's. They have the same committee and they know me and would ask, "Frank, do you want to buy some tickets," and I say "Yes, I will." I bought them myself. I didn't ask the other partners if I could, I took it on myself to do that. I gave them away.

MR. HALLEY. Do you belong to any other association or company or do you have an investment in any other company in the policy business?

MR. HACKETHAL. No, sir; this is the only connection I have ever had with the so-called gambling.

THE CHAIRMAN. I notice here for the year 1948 you say you made \$14,052 out of this Harlem Association; is that right?

MR. HACKETHAL. Well, whatever Mr. Boyle's records show.

THE CHAIRMAN. What percentage of the income would that be?

MR. HACKETHAL. Eight percent, sir. That is what I get, 8 percent.

THE CHAIRMAN. So, the total profit or what not would be about—

MR. HACKETHAL. Eight percent of it would be what the figure is.

THE CHAIRMAN. It would be about 12 times that amount; about \$200,000, I guess. Anyway, \$14,000 was 8 percent of it.

MR. HACKETHAL. I believe, Mr. Kefauver, somewhere in the yearly report it would give you the exact figures on that. I think Mr. Boyle after the first of the year would compile the entire earnings of the association, and I think it is in one of those forms there.

THE CHAIRMAN. It would be about \$175,000.

MR. HACKETHAL. That would be distributed among the partners.

THE CHAIRMAN. Anything else, Mr. Halley? Mr. White?

MR. WHITE. You say you started in this business about 1941?

MR. HACKETHAL. About 1941.

MR. WHITE. Do I understand correctly that prior to 1941 you were in prison?

MR. HACKETHAL. That is right.

MR. WHITE. For how long a term?

MR. HACKETHAL. Well, I had a 25-year sentence, which would be 16 years and 8 months, and I think I saved about a year and a half as trusty.

MR. WHITE. Were you involved in a crime with a man named Eppel-sheimer?

MR. HACKETHAL. He was implicated in that. It won't take long to explain this. I had a resort in Illinois. These men were supposed to have stolen a car in St. Louis and driven it over to Illinois for the purpose of robbing the mails. They came over to my place late at night, after 12 o'clock, parked the car back in my parking grounds. Of course, I had some cottages, about 30, and they went back to St. Louis, so it was testified, and got their men and their guns and they went up to Staunton, Ill. They were misinformed by the fellow up there. He expected this money to come in about 7 o'clock in the morning, but it didn't show up—this will be only a minute now, Mr. White, if you will let me have it. He said, "Come back at 5 o'clock." At 5 o'clock they parked this car down in the timber up near Wood River, so the testimony was. At 5 o'clock they went up and got this

car and robbed the postmaster and took \$54,000 and went on to St. Louis or wherever they went; I don't know. They testified they went to St. Louis and cut up this money. They charged me with having given them permission to park that car in my grounds.

The CHAIRMAN. How much time did they give you?

Mr. HACKETHAL. Twenty-five years. I did it both in Leavenworth and at Atlanta and Springfield, Ill.

Mr. WHITE. It was about 1941 when you came out of the penitentiary?

Mr. HACKETHAL. Yes, sir.

Mr. WHITE. It was about the first day of 1941?

Mr. Hackethal, how long have you had this house that you own in Nameoki?

Mr. HACKETHAL. I started building that about 18 months ago.

Mr. WHITE. What was the total cost of that house?

Mr. HACKETHAL. A whole lot more than I will get for it. I will be glad to sell it for \$33,000, the land and all, and my work for 18 months not included in there.

Mr. WHITE. But you didn't answer my question. How much have you invested in the house?

Mr. HACKETHAL. I would say \$37,000.

Mr. WHITE. It is all paid for?

Mr. HACKETHAL. Yes, sir.

Mr. WHITE. So, between 1941 and 1947 you had accumulated more than \$30,000 from your activities in the policy game?

Mr. HACKETHAL. Not all of it. I had some money when I came out of the penitentiary.

Mr. WHITE. Have you any explanation of why the authorities have made no attempt to molest an operation that nets something like \$175,000 a year?

Mr. HACKETHAL. No; only as I explained before, we have 500 incapacitated people who have been given employment. Some of them earn \$1 a day on their commissions; some maybe \$2; maybe some of them only 50 cents; another one maybe \$5, and so on. Of course, there are bigger writers who are more active.

Mr. HALLEY. Who offered you that job in 1941?

Mr. HACKETHAL. Mr. Harry Murdock, who is now dead.

Mr. HALLEY. Where did you meet Mr. Murdock?

Mr. HACKETHAL. He worked for me many years ago, before prohibition. He worked as a waiter at my place at Long Lake, at Mitchell, Ill.

Mr. HALLEY. Was he one of the original founders?

Mr. HACKETHAL. He and Cliff Phayer and D. C. Watson and Eddy Pohlman. Eddy Pohlman now, of course, is dead. They are both dead now, both Mr. Pohlman and Mr. Murdock. They were brothers-in-law.

The CHAIRMAN. Is that all?

Mr. WHITE. That is all I have, sir.

The CHAIRMAN. All right, thank you, Mr. Hackethal.

Mr. HACKETHAL. Thank you folks very much. If I can be of any help, call on me anytime and I will be glad to answer either by letter or in person.

Mr. WHITE. Mr. Charles Porter, please.

The CHAIRMAN. Mr. Charles Porter.

Mr. Porter, how are you today, sir? Will you hold up your hand. Do you solemnly swear the testimony you will give this committee will be the whole truth and nothing but the truth, so help you God?

Mr. PORTER. I do.

**TESTIMONY OF CHARLES PORTER, OWNER AND PUBLISHER,  
FESTUS DAILY NEWS DEMOCRAT, FESTUS, MO.**

The CHAIRMAN. What is your occupation, Mr. Porter?

Mr. PORTER. I am publisher of the Daily News Democrat, owner and publisher, at Festus, Mo.

Mr. HALLEY. Is your residence Festus, Mo.?

Mr. PORTER. That is right.

Mr. HALLEY. Mr. Porter, in 1948 did you have a certain conversation with William Molasky concerning the gubernatorial campaign?

Mr. PORTER. I did.

Mr. HALLEY. Would you tell the committee where you had such conversation?

Mr. PORTER. It was during the gubernatorial campaign, and, as I remember, it was along pretty late in the campaign. Mr. Molasky called me one day and asked me to drop by his office the first time I was in St. Louis, and I did in the next few days. He told me that he wanted to make a contribution of \$2,500 to Forrest Smith's campaign. He said he didn't want it to go to the Democratic committee, but he wanted it to go directly to Forrest Smith. I told Mr. Molasky that I had nothing in the world to do with collecting money for the State committee; that I didn't know Mr. Hendren, chairman of the committee, but I had a friend in Festus who I would be glad to take it up with, and if he wanted to communicate that information to Forrest Smith or to the State committee he could do so.

He told me at that time that it had been the practice for years in St. Louis to have a Jewish man on the police board, and he said he would like to have something to do with recommending somebody for a place on the police board, the Jewish member. Of course, I told him I knew nothing about that. But I went home and talked to Judge Edward Eversole about it. Eversole, whom I know, was well acquainted with John Hendren and was rather active in the State campaign.

I told him what Mr. Molasky had proposed to do, and I said: "I would rather, if you think it worth while to take up with the committee or Mr. Hendren, that you go around and talk to Mr. Molasky yourself about it and let him tell you what he proposes to do, what he wants to do." So he did, and Mr. Molasky told him that he wanted an opportunity to recommend somebody for that place on the police board. He recommended—he said he would like to see Morris Shenker appointed. I don't remember whether he told me that in our conversation or not. I just don't remember whether he mentioned—I don't remember whether he even told me that he wanted to name or recommend Morris Shenker. I don't remember that, but he did later, and he told Judge Eversole about it. In a few days or weeks or something Judge Eversole was in Jefferson City, so he told me, and he communicated that to Mr. Hendren. He came back and told me that

Mr. Hendren told him that Morris Shenker was out; that he absolutely could not be considered for a place on the police board because of the number of criminal cases he had defended. Mr. Hendren said, if he wanted to recommend five men, if Mr. Molasky wanted to recommend five men, they would consider them, with the understanding that they be considered. If he wanted to make his contribution on that basis, all right, they would accept it; but they absolutely wouldn't guarantee him anything.

So I told Mr. Molasky that.

Mr. HALLEY. When you spoke to Molasky, you did use Shenker's name in this conversation?

Mr. PORTER. Yes; I told him they said they wouldn't consider Mr. Shenker. I told him that. I told him that they wanted him to recommend five men and that they would consider them, but they would not promise that they would appoint either of them. So he sent me a list of three men. Mr. Shenker was on the list—Morris Shenker and, as I remember, Sam Copler. I won't say it was Sam. It was Copler. I didn't know then who Sam Copler was. I have since found out.

Mr. HALLEY. Who was he?

Mr. PORTER. They are hotel people here in St. Louis. They own, as I understand it, the Park Plaza Hotel and I think the Coronado Hotel and maybe another hotel or two. I don't know, and I think he is the father-in-law of Morris Shenker. I think he is the Copler mentioned. The third man I don't remember. I don't remember his name. But I gave the list to Judge Eversole.

I believe I am a little ahead of my story there.

After he said he wanted Shenker appointed, he either called me or he called Judge Eversole and asked him to come up and see him, and to tell Judge Eversole, and Judge Eversole did come up. He had an appointment with him at his office, and for some reason Mr. Molasky wasn't there, and they didn't meet; and Judge Eversole came back and he said as far as he was concerned he was going to wash his hands of the whole thing, that he knew Shenker was out, that he would not have a chance, and so on and so forth. But, after the names went in, I knew nothing more about that thing until after the police board had been appointed, which was sometime after Forrest Smith was elected, and Mr. Molasky told me that they double-crossed him. I reminded him that they didn't guarantee him anything; they didn't tell him that they would appoint one of those men. He said: "I gave Hendren the money, and I am going to demand my money back." I said: "Maybe you can get it back; I don't know." I never heard of anybody getting any money back that they contributed to a political campaign.

That is substantially my story. That is all I know about it.

Mr. WHITE. Did Judge Eversole give you an affidavit on that?

Mr. PORTER. Yes, sir; I have that in my pocket [producing document].

Mr. HALLEY. Mr. Chairman, may this be read right into the record?

The CHAIRMAN. This will be made a part of the record at this point, the affidavit of Judge Eversole.

Mr. HALLEY. Copy it right into the record, please.

(The affidavit referred to follows:)

## AFFIDAVIT

STATE OF MISSOURI,

*County of Jefferson, ss:*

During the primary campaign for nomination of Governor in 1948 in Missouri in either late May, June, or early July, Mr. Charles Porter, editor and publisher of our leading newspaper of Jefferson County, in talking to me by phone or at his office, told me that a friend of his in St. Louis wanted to make a donation to the campaign of Forrest Smith, making the race for the Democratic nomination for Governor. (I was at the time fairly active in support of Smith and had previously enlisted the aid of Mr. Porter with his newspaper.)

Mr. Porter told me that his friend's name was William Molasky, who operated a magazine-distribution company in St. Louis known as the Pierce Distributing Co., or some such name, located at about 2600 Locust Street. Molasky, he said, wanted to contribute \$2,000 to the campaign and wanted to name the Jewish member of the St. Louis Police Board if Forrest Smith was elected. Porter asked me if I would talk to John Hendron, who was managing Smith's campaign, and see if they were interested in the proposed contribution. Porter told me that Molasky was interested in having his lawyer, Morris Shenker, named to the board.

I told Mr. Porter that I would inquire the next time I was in Jefferson City but that I doubted very seriously that John Hendron or Forrest Smith would make any such commitment for a contribution. Mr. Porter then asked me if I would mind to stop by Molasky's office the next time I was in St. Louis and talk to him, to see that I had things straight and confirm what he, Porter, had said. I agreed to do so.

Sometime within the following week when I was in St. Louis I called Molasky and made an appointment and went by his office some place along about the 2600 block of Locust Street and talked to him.

Molasky (I had never met him before) told me that he would like to make a donation to the Smith campaign and that he was interested in naming the Jewish member of the St. Louis Police Board. That there had always been a member of the Jewish faith named to the board. He never at any time mentioned the amount he wanted to contribute. I asked him who he wanted on the board. Molasky said his first choice was Morris Shenker, his attorney. (My memory is slightly hazy here, but it seems there was mention that Morris lived in St. Louis County and might not be eligible—I didn't know and neither did he whether that made any difference, as he had an office in St. Louis.) In any event, if Morris Shenker could not be named, then Sam Koplar, owner of the Chase and Park Plaza Hotels, in St. Louis would be second choice, and one other man was named but I have forgotten the name. (Memory slightly hazy but it seems that he was possibly connected with one of the large dry-goods companies in St. Louis.)

I told Molasky I would talk to John Hendron the next time I was in Jefferson City and probably about a week or 10 days later I did.

I talked to John Hendron in Jefferson City at headquarters. He was very busy, his desk was in a fairly small room with three other desks and people were talking at all of them, doors open into the next room and hall, and all filled with people talking and making for a general confusion. I had three or four things to talk to him about and made them all as brief as possible. So far as is concerned here, I told John that a friend of Charley Porter's in St. Louis wanted to make a contribution to Smith's campaign. (John was not personally acquainted with Porter but knew him as publisher of our paper and a friend of mine.) I think I told John that it was a man by the name of Molasky, although I would not be positive that I designated the man as anyone other than as a friend of Charley Porter.

John asked me what he was interested in, if he was making a contribution, and I told him that he wanted to name the Jewish member of the St. Louis Police Board if Forrest was elected, and his first choice was Morris Shenker, and, if he was not eligible, his second choice would be Sam Koplar or this other man whose name I have forgotten.

John Hendron told me that he was positive that Forrest would not name Morris Shenker to the board because Shenker had too much criminal practice in St. Louis, and that such a set-up just would not do. John then said that he felt sure that Forrest would not make any commitment of any kind that would permit any person to name a member of a board or to any job, in the event that he, Forrest, was elected.

John then said that the only thing he could tell me would be that if Charley Porter's friend wanted to make a contribution to the campaign, and Forrest was elected, then, after the election, he could submit a list of names for appointment to the board, which names he felt sure Forrest would consider when making such appointments—however, he said he wanted me to make it clear that the suggested persons would be considered and that that did not mean that any one of them would actually be appointed to the board. John said that if that was not satisfactory to forget the contribution.

Upon my return home I told Charley Porter just what John Hendron had said, and I told him further that I was of the opinion that Molasky was wanting something he was not going to get and that we had better just skip the whole matter. Charley told me that he would tell Molasky by phone about my luck with Hendron but that he would like for me to stop by Molasky's office the next time I was in St. Louis and confirm it, so that there could be no misunderstanding about what Hendron had said.

Within probably a week, I was in St. Louis and called the News Magazine office on Locust Street and made an appointment to come by and tell him what Hendron had said about the matter. It was a hot day and I had trouble parking my car and was still hotter, and when I walked into the office I told the girl at the switchboard who I was and who I wanted to see and she told me Mr. Molasky was not in, had not been in that morning and was not expected. I told her I had just made an appointment by phone with him, she just grinned and said he was not in, so I walked out, not being able to comprehend just what kind of a run-around it was.

When I returned to Festus, I told Mr. Porter what had happened, and I told him to count me out of it entirely from there on, that the guy wanted something I didn't think he was going to get and there was no use mixing up in it at all.

So far as I can recall, I never heard anything further about Molasky making a contribution or not making one until after the November election and the police board had been named in St. Louis, and then when I was talking to Charley Porter one day, he mentioned that he had seen Molasky in St. Louis and that Molasky had said they double-crossed him on the police board appointments. That he had made a contribution and they had not named his man and that he was going to get his money back. That is the last I heard until I saw it in the newspapers.

EDWARD T. EVERSOLE,

*Judge of the Twenty-first Judicial Circuit of Missouri.*

Subscribed and sworn to at my office in Festus, Mo., this 15th day of July 1950.

[SEAL]

H. E. VAUGHN,

*Notary Public.*

My commission expires the 21st day of March 1951.

The CHAIRMAN. Mr. Porter, is that about the only financial transaction you have had of any substance in connection with the Governor's campaign?

Mr. PORTER. Yes, sir; absolutely.

The CHAIRMAN. How large is Festus, Mo.?

Mr. PORTER. Festus is five thousand and one hundred-and-something now since the last census. We are a sister city of Crystal City, and they have a population of forty-some-odd thousand.

The CHAIRMAN. Do you have any other information you think would be of help to our committee?

Mr. PORTER. I don't have, Senator. That is all I know about this thing. That is all I know about it.

The CHAIRMAN. Has anybody else been in touch with you to try to get you to use your influence in behalf of any particular cause?

Mr. PORTER. No, absolutely not.

The CHAIRMAN. I believe that is all, Mr. Porter.

Mr. HALLEY. There is just one thing I have thought of somewhat lately.

I have been sitting here wondering why Mr. Molasky picked you to be his emissary.

Mr. PORTER. Of course this is an opinion. I used to be pretty active in Democratic politics. I was chairman of the committee of that county for a good many years.

Mr. HALLEY. What county is that?

Mr. PORTER. Jefferson County. But I never had any relationship with the State committee. I usually knew some of the members, but I do not know John Hendren. I have never seen him.

Mr. HALLEY. Why did you pick Judge Eversole as the man to go to?

Mr. PORTER. Judge Eversole was closer in touch, I think, I considered him so, with the State committee than anybody that I was pretty close to down in the county.

The CHAIRMAN. Anything else?

Mr. WHITE. No.

Mr. HALLEY. No.

The CHAIRMAN. I believe that is all, Mr. Porter.

Mr. PORTER. All right, gentlemen, thank you very much.

Mr. WHITE. We have Mr. Earl Prawl next.

The CHAIRMAN. Mr. Prawl, will you hold up your hand. Do you solemnly swear that the testimony you will give this committee is the truth, the whole truth, and nothing but the truth, so help you God?

Mr. PRAWL. I do.

#### TESTIMONY OF EARL W. PRAWL, CLAYTON, MO., ACCCOMPANIED BY MORRIS SHENKER, ATTORNEY, ST. LOUIS, MO.

Mr. HALLEY. What is your full name?

Mr. PRAWL. Earl W. Prawl.

Mr. HALLEY. What is your address?

Mr. PRAWL. 7550 Byron Place, Clayton, Mo.

Mr. HALLEY. Is that the suburb of St. Louis?

Mr. PRAWL. That is right.

Mr. HALLEY. In what business are you?

Mr. PRAWL. I work for John Mooney.

Mr. HALLEY. In what business is John Mooney?

Mr. PRAWL. He is in the bookmaking business.

Mr. HALLEY. Are you a partner of his?

Mr. PRAWL. No.

Mr. HALLEY. Just an employee?

Mr. PRAWL. Yes.

Mr. HALLEY. What is your job there?

Mr. PRAWL. I am commonly known as the board man.

Mr. HALLEY. What does that mean?

Mr. PRAWL. That means that of a morning I have to use chalk and put all the entries of all racing information on a blackboard. On the board I mark the scratches and prices. In other words, if you can visualize a stock-market board, I run up and down there and later on during the day to keep that up.

Mr. HALLEY. Where do you get those prices and scratches?

Mr. PRAWL. It came over a ticker.

Mr. HALLEY. Western Union ticker?

Mr. PRAWL. It must be a Western Union ticker.

Mr. HALLEY. Why do you say it came? From where does it come now?

Mr. PRAWL. The tape comes out.

Mr. HALLEY. Does it still come that way?

Mr. PRAWL. No.

Mr. HALLEY. How does it come now? How do you get the information now?

Mr. PRAWL. We don't get any. The only way we can go by is either get the papers now or call other places where they could get it.

Mr. HALLEY. What happened to your ticker service?

Mr. PRAWL. It was shut off as far as I know. It stopped in the middle of the day.

Mr. HALLEY. What day?

Mr. PRAWL. I would say—let's see—about last Wednesday sometime, along about that time.

Mr. HALLEY. Your Western Union service was just cut off.

Mr. PRAWL. Right in the middle of the day; yes, sir.

Mr. HALLEY. Since then have you been operating or did you shut the place down?

Mr. PRAWL. Since Wednesday? No, we closed the day that Mr. White was there. It was that day.

Mr. HALLEY. It was a Friday, was it not?

Mr. PRAWL. On a Friday.

Mr. HALLEY. And you haven't opened since?

Mr. PRAWL. No.

Mr. HALLEY. When the ticker tape was there, from what source did you get your—pardon me, Mr. Shenker, I note you have just entered the room. I presume you are here as counsel for Mr. Prawl?

Mr. MORRIS SHENKER. Yes, sir.

Mr. HALLEY. From whom did you get your ticker tape service?

Mr. PRAWL. Years ago it was always known as Pioneer News, and sometimes they change their name to Continental. It may still be Pioneer. I never keep up with those people. I don't try to.

Mr. HALLEY. Over in St. Louis?

Mr. PRAWL. Pioneer News, I think, is St. Louis headquarters.

Mr. HALLEY. So the ticker comes from St. Louis across the river by wire to you in East St. Louis, Ill.; is that right?

Mr. PRAWL. That seems to be the way they operated.

The CHAIRMAN. I thought you said you were from Clayton.

Mr. PRAWL. This particular address, Your Honor, is referring to East St. Louis. I was employed there.

Mr. HALLEY. Perhaps the record doesn't clearly show that the bookmaking establishment owned by John Mooney is at 318 Missouri Avenue, East St. Louis, Ill. Is that right?

Mr. PRAWL. That is right.

Mr. HALLEY. Who handles the transactions with Pioneer? Who pays the weekly service charge?

Mr. PRAWL. I would say Jon Pocock.

Mr. HALLEY. What is his position in your bookmaking business?

Mr. PRAWL. We would refer to him, if there were titles, we don't have titles, but in that office you might call him cashier. That would probably be the most appropriate name for him, cashier.

Mr. HALLEY. Do you and Pocock have an interest in the business or are you both on salary?

Mr. PRAWL. He is on a salary, too.

Mr. HALLEY. You are both on salary?

Mr. PRAWL. Certainly.

Mr. HALLEY. What is your salary?

Mr. PRAWL. I have a '\$7 a day drawing account, with a possible bonus at the end of the month.

Mr. HALLEY. Did you earn a bonus, let us say, in the month of May, last May? Take June, the last month.

Mr. PRAWL. Last month, no; it wasn't considered a bonus.

Mr. HALLEY. Did you earn more than \$7 a day last month?

Mr. PRAWL. Yes, I did. I was given \$200, but then my tax was all taken out of that, and I got what was left.

Mr. HALLEY. Now Pocock also is on a salary?

Mr. PRAWL. Oh, yes.

Mr. HALLEY. How does he pay Pioneer? Do they come over and collect every week?

Mr. PRAWL. No; they send a check, I imagine. I never did see anybody collect anything.

Mr. HALLEY. Pocock sends a check, you think, to pay for it to Pioneer?

Mr. PRAWL. That is right.

The CHAIRMAN. Do you know that?

Mr. PRAWL. No; I don't know that for sure. I couldn't say because I go home early as soon as the last race is run and I am not there to check up or anything like that.

Mr. HALLEY. Do policemen or deputy sheriffs ever come into your premises?

Mr. PRAWL. No.

Mr. HALLEY. Have you any information on how you are able to operate without being closed down by the local authorities?

Mr. PRAWL. No; I haven't.

Mr. HALLEY. The operation, you know, is against the law in the State of Illinois?

Mr. PRAWL. I imagine it would be.

Mr. HALLEY. Do you have any information on the subject of why the authorities don't enforce the law?

Mr. PRAWL. No; I don't.

Mr. HALLEY. So far as you know, is John Mooney the only owner of the establishment?

Mr. PRAWL. There could be a connection between Mr. Carroll and him, some sort of agreement of some sort.

Mr. HALLEY. Which Carroll?

Mr. PRAWL. James J. Carroll.

Mr. HALLEY. What kind of agreement could that be?

Mr. PRAWL. I mean as far as him helping him and advising him as to prices and things like that.

Mr. HALLEY. Be more specific. So far as you know, is Carroll a part owner?

Mr. PRAWL. That I could not say.

Mr. HALLEY. Does Carroll appear on the premises?

Mr. PRAWL. Oh, yes.

Mr. HALLEY. How often?

Mr. PRAWL. I would say at times he will come daily, and then other times he might not appear for maybe 2 or 3 months.

Mr. HALLEY. When he is there does he give instructions to various employees?

Mr. PRAWL. No.

Mr. HALLEY. Will you note that the Senator left the room and that we suspended immediately on his leaving? We will resume when the Senator returns.

(Brief recess.)

Mr. HALLEY. Back on the record. You were served with a subpoena to produce all of the books and records pertaining to the bookmaking establishment at 318 Missouri Avenue, East St. Louis, Ill. Will you state whether you have brought with you any information or records?

Mr. PRAWL. No; I haven't.

Mr. HALLEY. Will you state why not?

Mr. PRAWL. Well, because I know of no records. I never kept any records. I didn't know what there would be in records of any type.

Mr. HALLEY. You were handed the subpoena last Friday, is that right?

Mr. PRAWL. Friday evening; yes, sir.

Mr. HALLEY. Were you then at 318 Missouri Avenue?

Mr. PRAWL. I was there; yes, sir.

Mr. HALLEY. You read it when it was given to you?

Mr. PRAWL. I read it over with Mr. White and talked to him about it.

Mr. HALLEY. In fact, you showed it to some of the employees?

Mr. PRAWL. Yes.

Mr. HALLEY. Did you go and look through any records on the premises there at that time?

Mr. PRAWL. Yes, sir; I looked around and everybody said they tore everything up and threw it away because they thought it was some other type of raid or something.

Mr. HALLEY. When did they throw it away? Mr. White did not raid. He walked in the door and handed you a subpoena. They did not have time to tear up a lot of books.

Mr. PRAWL. There was some delay, wasn't there, Mr. White?

Mr. WHITE. Yes; it took us some time to get in.

Mr. PRAWL. In fact, I opened the last door for Mr. White myself because—not that I had any authority to, but I thought it was uncalled for.

Mr. HALLEY. Before Mr. White started attempting to serve the subpoena, there were books and records on the premises beyond any doubt.

Mr. PRAWL. Well, if there were, truthfully I don't handle those things.

Mr. HALLEY. The bookkeeper handles them. You so testified.

Mr. PRAWL. A bookkeeper? You mean the cashier?

Mr. HALLEY. I believe you called him the cashier.

Mr. PRAWL. The cashier, yes, has some type of work that he has to do to check his business, I am sure.

Mr. HALLEY. You were operating that day, isn't that right, Mr. Prawl? Bets were coming in and going out. You could not function without keeping some records.

Mr. PRAWL. What I meant was that the day's business and that evening I just went on home as I usually do and I never thought that the place would close up and everything and the bottom would fall out like that.

Mr. HALLEY. The subpoena was served before the end of business and therefore there must have been some records there at that time and on that day. Is that not a fact?

Mr. PRAWL. I couldn't truthfully say, because—

Mr. HALLEY. How could there not have been any records, Mr. Prawl?

Mr. PRAWL. I mean they thought there was a raid, as I understand, and they were running around pitching everything around.

Mr. HALLEY. Is there a river or a lake right outside the window?

Mr. PRAWL. No; no river or lake.

Mr. HALLEY. Were the records burned?

Mr. PRAWL. I couldn't say.

Mr. HALLEY. Could you smell smoke?

Mr. PRAWL. No; I didn't smell smoke.

Mr. HALLEY. The records couldn't have evaporated into thin air,

Mr. Prawl. Pitching them around doesn't make them disappear. Technically you are in contempt of this committee. Would you like to make an effort to try to find those records and produce them?

Mr. PRAWL. I can make an effort.

Mr. HALLEY. If it is going to be a half-hearted effort, it is not worth bothering with.

Mr. PRAWL. No; I say I can try to make an effort.

Mr. HALLEY. I want you to understand you have been served with a subpoena by the United States Senate. You are here. You are represented by counsel. You stated that either just before or just after Mr. White entered to serve the subpoena, the records were tossed around but you haven't given any satisfactory explanation of what happened to the records. You accepted the subpoena. You discussed the subpoena with other employees. Then you left. You have not produced the records, and therefore you are in contempt of this committee. It is possible that in such a case, if you produce the records, you will have wiped out the contempt, but that is the only way I know by which you can do it. Do you think you can produce the records or shall this record today just stand that you are in contempt?

Mr. PRAWL. Morris—

Mr. SHENKER. I don't know; did you have those records in your possession at the time Mr. White served the subpoena on you?

The CHAIRMAN. Let me ask what records did you keep when you were there.

Mr. PRAWL. I don't keep a thing. All day I actually write with chalk, wet chalk. I print on a blackboard.

The CHAIRMAN. You must write from something. What do you write from? Who tells you what to write? Do you get it off a ticker tape?

Mr. PRAWL. Ticker tape; yes, sir. I don't even answer phones, I don't write bets. I don't do a thing like that in that department.

The CHAIRMAN. Are there some records that you can get for the enlightenment of the committee out there? Do you have some in your possession?

Mr. PRAWL. Never did I have anything like that. As I say, the minute the last result or anything comes in I go home and those people are there at least a half hour to an hour after I go home.

The CHAIRMAN. It looks this way: You say by this subpoena that we read to you that we wanted some records of this establishment. I don't think you have made much effort to get any records that were there that you could get. You seem just to have neglected to do anything

in response to the request of the subpoena. I should think you would go see what records you could find, and it would help the situation considerably.

Mr. SHENKER. You are perfectly willing to get any records that you can get for the committee?

Mr. PRAWL. That is right.

Mr. SHENKER. Do you know whether you can get them or not?

Mr. PRAWL. No; I don't know.

Mr. SHENKER. But you will make an attempt in an effort to get them for the committee?

Mr. PRAWL. Yes.

The CHAIRMAN. And then report back to the committee.

Mr. HALLEY. Mr. Prawl, Mr. White tells me that when he did enter the premises to serve the subpoena, you acted as spokesman, and it was you who assumed to talk to him and to handle the situation with him. Is that correct.

Mr. PRAWL. Only when he directly asked a question, and I definitely wanted to be more or less polite to Mr. White because nobody else would say a word.

Mr. HALLEY. Were you the only one who would undertake to discuss the matter at all with Mr. White?

Mr. PRAWL. I tried to be very polite to Mr. White and assisting him and helping him. That was the only way that that came about. Nobody else would even say a word.

Mr. HALLEY. When he handed you the subpoena, did you say anything to him about your not being the one who kept the records?

Mr. PRAWL. I did. I told Mr. White while we were sitting right there—I said, "Do you see this blackboard right here?" I said, "That is all my work right there."

Mr. HALLEY. Did you tell him you didn't know that there were any records?

Mr. PRAWL. I told him then I don't know how to get any kind of records.

Mr. HALLEY. Did you tell him there was a cashier in the other room who had the records?

Mr. PRAWL. I did not. He didn't ask me that.

Mr. WHITE. Did I ask you who was in the next door, marked "Private," entering from the hall into the bookkeeping room?

Mr. PRAWL. Yes; you did.

Mr. WHITE. What did you tell me?

Mr. PRAWL. I told you it was Dick Doyle's real-estate and law office.

Mr. WHITE. What was inside that room, to your knowledge?

Mr. PRAWL. Nothing that I know of. There is nothing there that pertains to betting or anything like that.

Mr. WHITE. Did you hear me announce to all persons present, including yourself, that the subpoena did call for the production of all records and that whoever was in charge was called upon to produce or to answer the subpoena, and that I suggested that Mr. Mooney be notified of the service of the subpoena and that the committee would demand the records from you in lieu of any other person bringing them?

Mr. PRAWL. I did hear you talking to—you moved over in on the part of the room, and I didn't pay any particular attention to it.

Mr. WHITE. Didn't I make a public announcement to that effect?

Mr. PRAWL. Yes; you did. You made some sort of public announcement. I thought what you were doing was to have witnesses that you served this on me. That was my impression of it. I don't know. I am not familiar with those things.

Mr. HALLEY. It seems to me that since in any event the committee obviously can and will get these records and since you are technically in contempt of this committee, the best procedure would be for you to purge yourself of that contempt just as soon as you can and go out and get the records and be back here before 6 o'clock this afternoon.

The CHAIRMAN. The witness is instructed to that effect. Will you see what you can do and come back here.

Mr. PRAWL. All right, sir.

The CHAIRMAN. I will ask one question before you leave. How do you get along with the telephone service when you don't have the ticker tape?

Mr. PRAWL. How do we—you mean—

The CHAIRMAN. Can you operate your bookie establishment as well by telephone as you can with the ticker tape?

Mr. PRAWL. You can, sir, but it is not—it is just not as handy, that is all.

The CHAIRMAN. Who do you call to get information on the telephone?

Mr. PRAWL. Pioneer News.

The CHAIRMAN. How many telephones do you have to do that?

Mr. PRAWL. You mean that we need to handle it?

The CHAIRMAN. I mean how many telephones do you have that you call back and forth over.

Mr. PRAWL. Just one that we call in; that is all.

The CHAIRMAN. You say you are also using the newspapers?

Mr. PRAWL. For late California results and results like that, they refer to the Racing Form, newspapers, and so on. You see, in this district racing is just beginning in some places when I go home.

Mr. WHITE. Are you getting an open-line service from Reliable at the moment in Fairmont City?

Mr. PRAWL. Reliable? You mean a direct phone or something?

Mr. WHITE. What is known as an open line. You know what I mean by an open line; don't you?

Mr. PRAWL. Well, now, I am not sure, Mr. White.

Mr. WHITE. Where you would call, say, Pioneer or any other person and both parties would leave their receivers off the hook and the line would remain open until either one or both of the parties hung up.

Mr. PRAWL. Oh.

Mr. WHITE. Then you pipe that line into a loudspeaker. Is that what you are doing there now?

Mr. PRAWL. We have been doing that for 1 day, and I think—I don't believe it was connected there, I think it was connected to St. Louis.

Mr. WHITE. You did have a loudspeaker working in the place, didn't you, the day I was there?

Mr. PRAWL. That is right. That is the way we tried to hook it up to avoid being without Western Union—

Mr. WHITE. You just called Pioneer and kept your receivers off the hook and piped your end of the telephone into a loudspeaker and kept it on there from about 11 in the morning until 5 in the afternoon.

Mr. PRAWL. There is an intermittance, of course, but that is generally the procedure.

The CHAIRMAN. There is one other question I want to ask you, Mr. Prawl. You have a good attorney here, Mr. Shenker. How long have you been knowing Mr. Shenker?

Mr. PRAWL. Mr. Shenker, I guess I have known him—it was Saturday, the first time I met him.

The CHAIRMAN. What I want to know is, Does he represent the establishment or does he represent you or how did you get in touch with him?

Mr. PRAWL. The office manager of the place told me to go to Mr. Shenker.

The CHAIRMAN. Is the office manager or the place paying him or are you paying him?

Mr. PRAWL. As far as I know, I will have to pay him.

The CHAIRMAN. You have not come to that point yet?

Mr. PRAWL. My job is ended, and I am out of work. He said, "You had better go see Shenker." That was my procedure.

The CHAIRMAN. All right, Mr. Prawl, we will look for a report from you later this afternoon. I think you can have some records if you make an effort to get them. I think in view of the circumstances you ought to do that.

Mr. Shenker, do you have anything?

Mr. SHENKER. I would like to ask Mr. Prawl just a few questions, if I may, Senator.

When Mr. White came to the door, you say it took some time before he got in?

Mr. PRAWL. It did.

Mr. SHENKER. Would you indicate to the committee about how long it took from the time he came to the door until he entered?

Mr. PRAWL. I would say roughly 20 minutes or 25 minutes. It would be hard to say, at least that.

Mr. SHENKER. Between 20 and 25 minutes approximately?

Mr. PRAWL. Approximately. I am sort of guessing.

Mr. SHENKER. During that time that they were trying to get in, did you know or did anyone in the establishment appear to know that this was a representative of the Senate Investigating Committee?

Mr. PRAWL. We did not.

Mr. SHENKER. What was the impression as to those people and your impression as to who was trying to get in?

Mr. PRAWL. They thought it was the State police.

Mr. SHENKER. The State police were trying to come in. During that time you say that there was some turmoil in the office and things were being torn up?

Mr. PRAWL. That is right.

Mr. SHENKER. Did it appear to you that many things were destroyed and torn up?

Mr. PRAWL. It looked like it very much to me.

Mr. SHENKER. Since the time that the subpoena was served on you did you have in your possession any records pertaining to the establishment at 318 Missouri Avenue?

Mr. PRAWL. Never did I have any.

Mr. SHENKER. Before or after, is that correct?

Mr. PRAWL. That is right.

Mr. SHENKER. Did you see any records at the time Mr. White was there or after he left pertaining to the operation of that business?

Mr. PRAWL. There might have been a few tickets lying on a desk.

Mr. SHENKER. But no records?

Mr. PRAWL. No records.

Mr. SHENKER. You will attempt to telephone or contact the people that you think might be in position to advise you whether there are any records available and get them for the committee if you can?

Mr. PRAWL. I certainly will.

Mr. SHENKER. You are at all times willing to comply with the request of this committee?

Mr. PRAWL. Absolutely.

Mr. SHENKER. Pertaining to contacting me, did you know me by my good or bad reputation in this community? I mean did you know of me?

Mr. PRAWL. I have heard of you.

Mr. SHENKER. That is what I say, you had heard of me before?

Mr. PRAWL. That is right.

Mr. SHENKER. That is all.

Mr. HALLEY. Who is paying your fee in this case, Mr. Shenker?

Mr. SHENKER. I have made no fees pertaining to this with anyone.

Mr. HALLEY. You have made no arrangement with anyone whatsoever?

Mr. SHENKER. That is correct.

Mr. HALLEY. Including Mr. Prawl?

Mr. SHENKER. That is correct. However, I assume I am going to get paid, but I have not discussed my employment with anyone besides Mr. Prawl.

The CHAIRMAN. Mr. Prawl, is this a place so that anyone can come in who wants to come in?

Mr. PRAWL. No, sir.

The CHAIRMAN. You have to know the secret password?

Mr. PRAWL. There has never been anyone allowed in that office.

The CHAIRMAN. Do you not have customers who come in and look at the board?

Mr. PRAWL. No.

The CHAIRMAN. Just the employees?

Mr. PRAWL. That is right.

The CHAIRMAN. All right.

Mr. SHENKER. I think we might clear up one point, Senator, if I may take a second. This is not a place where people come in and make bets?

Mr. PRAWL. No, no. That is not a betting room of any type at all. It has always been closed, just like Mr. White found it.

Mr. SHENKER. Just an office operation?

Mr. PRAWL. That is right.

Mr. SHENKER. When you say there has never been anyone in there, you don't mean there never has been anyone in there, do you?

Mr. PRAWL. There might have been some one or two men drop in now and then and go out.

Mr. SHENKER. But it would be an unusual thing?

Mr. PRAWL. That is right.

The CHAIRMAN. Then how do people who take the bets from the man on the street get a message to you, by telephone?

Mr. PRAWL. By telephone and wire.

The CHAIRMAN. Do they not come around and tell you they have these bets and want to place them with you, or do they call them in?

Mr. PRAWL. Everything is called.

The CHAIRMAN. How many telephones did you have in the place?

Mr. PRAWL. We had a number, a Ridge number, and it had about four trunks to ring in on one. You know what I mean. If this one is busy, it will jump to the other one. I would say there were four, or three others, possibly.

The CHAIRMAN. Is this one of the big bookies in East St. Louis?

Mr. WHITE. In the Middle West.

Mr. HALLEY. Mr. Prawl, you paid off your bets that were made on Friday; did you not?

Mr. PRAWL. That I don't know.

Mr. HALLEY. The company does. It didn't welch on its bets on Friday; did it?

Mr. PRAWL. Well, I don't know.

Mr. HALLEY. It has to have some records of the bets that were made even just on Friday.

Mr. PRAWL. It was never my business to pay or collect or anything.

Mr. HALLEY. I am just suggesting to you that after the subpoena was served on you and you assumed to act as the person in charge of the premises in the absence of Mr. Mooney and Mr. Carroll, it was incumbent upon you, having accepted the subpoena and the responsibility that goes with it, to look around those premises for some records, and I want you to bear that in mind when you go out this afternoon to look for some more.

Mr. PRAWL. O. K., sir.

Mr. SHENKER. Is that all?

The CHAIRMAN. Yes; thank you.

(Witness excused.)

The CHAIRMAN. You are Miss Forrestal?

Miss FORRESTAL. Yes; I am.

The CHAIRMAN. Will you hold up your hand? Do you solemnly swear that the testimony you give this committee will be the whole truth and nothing but the truth, so help you God?

Miss FORRESTAL. I do.

#### TESTIMONY OF MISS MARY FORRESTAL, CLAYTON, MO., ACCOMPANIED BY MORRIS A. SHENKER, ATTORNEY, ST. LOUIS, MO.

The CHAIRMAN. Have a seat, Miss Forrestal, and talk loudly. I cannot hear very well and the reporter would like to hear this. Let the record show that Mr. Shenkoer is appearing with Miss Forrestal.

(Discussion off the record.)

The CHAIRMAN. All right, let's get on with this.

Mr. HALLEY. Now, Miss Forrestal, what is your address?

Miss FORRESTAL. 7569 Buckingham Drive, in Clayton.

Mr. HALLEY. Is that in Missouri?

Miss FORRESTAL. Yes.

Mr. HALLEY. What is your occupation?

Miss FORRESTAL. Secretary.

Mr. HALLEY. To whom?

Miss FORRESTAL. Mr. John Mooney.

Mr. HALLEY. Where do you work for Mr. Mooney; where is your office?

Miss FORRESTAL. In East St. Louis; 318½ Missouri Avenue.

The CHAIRMAN. You are going to have to speak louder, Miss Forrestal.

Mr. HALLEY. You mean you work right at the premises—

Miss FORRESTAL. Yes, I do.

Mr. HALLEY. Of this bookmaking establishment?

Miss FORRESTAL. Yes.

Mr. HALLEY. The establishment of Mr. Mooney. Do you work for anyone else besides Mr. Mooney?

Miss FORRESTAL. I do work for other people in the office, other clerks.

Mr. HALLEY. Who do you work for?

Miss FORRESTAL. Mr. John Mooney is the man—I am his secretary.

Mr. HALLEY. Who else do you work for?

Miss FORRESTAL. I don't follow that.

Mr. HALLEY. From whom else do you take instructions?

Miss FORRESTAL. Principally Mr. Mooney, but if anyone wants me to write a letter for them—

Mr. HALLEY. Name a few names. Do you take orders from Mr. Carroll, for instance?

Miss FORRESTAL. Yes, I have issued press releases and things like that for Mr. Carroll at Kentucky Derby time and any special event.

Mr. HALLEY. Does he come into the office?

Miss FORRESTAL. Yes, he does.

Mr. HALLEY. How often does he come to the office?

Miss FORRESTAL. I can't say how often. He was in Florida a great deal of this winter.

Mr. HALLEY. There already has been testimony that he sometimes comes in many times a week.

Miss FORRESTAL. That is true.

Mr. HALLEY. And sometimes he doesn't come in.

Miss FORRESTAL. That is true. Oftentimes he goes to California.

Mr. HALLEY. We will get along much better if you just give us the facts and not worry about it.

Who owns that bookmaking establishment?

Miss FORRESTAL. Mr. John Mooney is the owner.

Mr. HALLEY. What interest does Mr. Carroll have in it?

Miss FORRESTAL. He is an odds maker and as far as I know I think he has a financial interest in it, but that never has been discussed with me.

Mr. HALLEY. He does come there and give instructions to various people?

Miss FORRESTAL. Well, yes; I suppose he does.

Mr. HALLEY. How long have you worked there?

Miss FORRESTAL. Two years.

Mr. HALLEY. Where did you work before that?

Miss FORRESTAL. Leppert-Ross Fur Co.

Mr. HALLEY. In the establishment are books kept; books of account?

Miss FORRESTAL. They have records; yes. I don't know if you mean—what kind of books do you mean?

Mr. HALLEY. Financial books.

Miss FORRESTAL. Well, yes, I think they keep some sort of records and then I don't know, they get rid of them some way or another.

Mr. HALLEY. You have summary books, don't you, so you can pay your income tax at the end of the year?

Miss FORRESTAL. I wouldn't know about that, sir.

Mr. HALLEY. Have you ever seen a ledger in the place? You know what a ledger looks like?

Miss FORRESTAL. You mean a daily piece of paper, but not any large book, I haven't.

Mr. HALLEY. You haven't seen a large book in the premises?

Miss FORRESTAL. No, I haven't.

Mr. HALLEY. Is there a bookkeeper or a cashier?

Miss FORRESTAL. Yes.

Mr. HALLEY. Who is that?

Miss FORRESTAL. Mr. John Popock.

Mr. HALLEY. Where does he work?

Miss FORRESTAL. In our office.

Mr. HALLEY. In what part of the premises?

Miss FORRESTAL. The same building.

Mr. HALLEY. What room?

Miss FORRESTAL. The same room.

Mr. HALLEY. The same room as you?

Miss FORRESTAL. Yes.

Mr. HALLEY. He keeps whatever books are kept right in the same room?

Miss FORRESTAL. Yes.

Mr. HALLEY. How large a room is that?

Miss FORRESTAL. From about there to there and to that door.

Mr. HALLEY. Indicating about 20 feet square perhaps.

Miss FORRESTAL. I am not a good judge of such things.

Mr. HALLEY. But a good-sized room.

Miss FORRESTAL. Yes.

Mr. HALLEY. How many people work in it?

Miss FORRESTAL. You want exactly? I don't know, I think 19 or 20.

Mr. HALLEY. How close to your desk is Mr. Popock's?

Miss FORRESTAL. From here to where perhaps that gentleman over there is.

Mr. HALLEY. About 10 feet.

Miss FORRESTAL. Yes.

Mr. HALLEY. You are there every day?

Miss FORRESTAL. Yes.

Mr. HALLEY. What does he do? Does he keep records? Is that his work?

Miss FORRESTAL. Yes.

Mr. HALLEY. He records bets, for instance?

Miss FORRESTAL. You mean—

Mr. HALLEY. Bets that are taken in and paid out.

Miss FORRESTAL. Yes.

Mr. HALLEY. You say they are destroyed at the end of each day?

Miss FORRESTAL. No, I don't say they are destroyed at the end of each day. They keep them daily and what they do with them I don't know, but they don't accumulate in the office.

Mr. HALLEY. They are taken to some other place?

Miss FORRESTAL. I suppose so. I really don't know.

Mr. HALLEY. They are not kept there?

Miss FORRESTAL. Yes, that is right.

Mr. HALLEY. Then if there are any books, you haven't seen them, any books of account?

Miss FORRESTAL. Large books of account I have never seen.

Mr. HALLEY. How about a check book?

Miss FORRESTAL. Yes.

Mr. HALLEY. Who keeps that?

Miss FORRESTAL. The man's name is Mr. Landsettel and he signs the checks.

Mr. HALLEY. Does he work in the same place?

Miss FORRESTAL. Yes.

Mr. HALLEY. In the same room?

Miss FORRESTAL. Yes.

Mr. HALLEY. What bank?

Miss FORRESTAL. First National of East St. Louis.

Mr. HALLEY. The First National Bank of East St. Louis.

Miss FORRESTAL. Yes.

Mr. HALLEY. Were you there on the day that Mr. White came in with the subpoena?

Miss FORRESTAL. Yes.

Mr. HALLEY. Were you in the big room when he came in and made his little speech?

Miss FORRESTAL. Yes.

Mr. HALLEY. About wanting to serve the subpoena on whoever was in charge?

Miss FORRESTAL. Yes.

Mr. HALLEY. At that time who was in charge?

Miss FORRESTAL. You see, the manager was hurt in an accident about 2 months ago or 3 months ago, and I don't know that anyone was officially appointed in Mr. McBurney's place as far as I know.

Mr. HALLEY. Was this man the cashier there that day?

Miss FORRESTAL. Yes, as I remember.

Mr. HALLEY. Was he in that other room where you work?

Miss FORRESTAL. I was very confused. I really can't say if he was.

Mr. HALLEY. He was on the job that day?

Miss FORRESTAL. Oh, yes. If he was standing right there when this gentleman came in I can't say.

Mr. HALLEY. A little time elapsed between when Mr. White started trying to get in and the time when he got in?

Miss FORRESTAL. Yes.

Mr. HALLEY. At that time were any records destroyed?

Miss FORRESTAL. Not that I know of. At least I didn't destroy any records during that time.

Mr. HALLEY. Did you see any destroyed?

Miss FORRESTAL. No.

Mr. HALLEY. After Mr. White left did you see any records destroyed?

Miss FORRESTAL. No. Well, I know what I took care of, my own things.

Mr. HALLEY. Will you state what you did?

Miss FORRESTAL. Yes; I take care of Mr. Mooney's personal checking account and then I have a checking account, it is really Mr. Mooney's money but I pay his bills while he is out of town. Well, I think that is about all.

Mr. HALLEY. What did you do after Mr. White left?

Miss FORRESTAL. I went home.

Mr. HALLEY. You didn't destroy any records?

Miss FORRESTAL. Oh, no; I don't have anything to destroy.

Mr. HALLEY. No other questions.

The CHAIRMAN. Is there anything you want to ask her?

Mr. WHITE. No.

The CHAIRMAN. How long did you say you had been working there?

Miss FORRESTAL. Two years.

The CHAIRMAN. Can you give us some idea of the size of the business, that is, how much is bet per day?

Miss FORRESTAL. No, sir. You mean every day, the take, the amount of the take?

The CHAIRMAN. Yes.

Miss FORRESTAL. I think it differs all the time.

The CHAIRMAN. What is the average amount?

Miss FORRESTAL. I couldn't tell you that. I could not answer that truthfully.

The CHAIRMAN. Would \$100,000 be about right?

Miss FORRESTAL. Oh, heaven's no, that is ridiculous.

The CHAIRMAN. Is that large?

Miss FORRESTAL. Very large.

The CHAIRMAN. Over how large a territory do you do business? Do you get calls from bookies in St. Louis over here as well as in East St. Louis?

Miss FORRESTAL. I suppose. You see, I don't answer any phones. When somebody is on the phone I don't know where they are calling from or anything like that. I suppose it is nation-wide as far as I know.

The CHAIRMAN. You mean you think you get calls from all parts of the country?

Miss FORRESTAL. Yes.

The CHAIRMAN. Is that Mr. Carroll's chief operating place, the chief place where he does business?

Miss FORRESTAL. It is the only one I know of.

The CHAIRMAN. Are you employed by Mr. Mooney or Mr. Carroll?

Miss FORRESTAL. Mr. Mooney, Mr. John Mooney.

The CHAIRMAN. Does Mr. Mooney work for Mr. Carroll?

Miss FORRESTAL. I don't know that he works for him, no. He owns the place. Mr. Mooney owns the place.

The CHAIRMAN. Where is Mr. Carroll's office?

Miss FORRESTAL. Well, I don't say it is his office. He comes there. He doesn't have a desk, and that is his desk or anything like that. He comes in there.

The CHAIRMAN. Do you take dictation from Mr. Carroll?

Miss FORRESTAL. I have done such things as order shoes for him, one time I remember, and I have taken a few letters from Mr. Carroll, yes.

The CHAIRMAN. Does Mr. Carroll give people instructions about what to do in this place?

Miss FORRESTAL. Mr. Mooney really is the one that is in charge, but I should imagine that Mr. Carroll would be able to say, yes.

The CHAIRMAN. Do you call and get Dun & Bradstreet reports on various bettors?

Miss FORRESTAL. Yes.

The CHAIRMAN. Where do you get Dun & Bradstreet reports?

Miss FORRESTAL. From Dun & Bradstreet.

The CHAIRMAN. From East St. Louis?

Miss FORRESTAL. No, St. Louis.

The CHAIRMAN. What do you do that for?

Miss FORRESTAL. Because I am told to.

The CHAIRMAN. Do they not always put up money when they bet or do they bet on credit?

Miss FORRESTAL. You can bet on credit. I think some prefer to settle by the week or something like that, some arrangements like that.

The CHAIRMAN. So you do have a credit arrangement with people who want to bet on credit if they are entitled to credit.

Miss FORRESTAL. Yes.

The CHAIRMAN. Do you go around and make collections from people who owe the establishment something?

Miss FORRESTAL. I wouldn't know about any kind of cash transactions, but I know they mail in checks, as far as I know.

The CHAIRMAN. I know, but do you go around to people's houses or business concerns?

Miss FORRESTAL. You mean personally do I?

The CHAIRMAN. Such as Mike Grady.

Miss FORRESTAL. You mean do I do it?

The CHAIRMAN. Yes. Who are the chief inspectors for this establishment?

Miss FORRESTAL. Inspectors?

The CHAIRMAN. I mean collectors.

Miss FORRESTAL. Collectors. I did not know we had collectors, sir.

The CHAIRMAN. Do you have people who go out and see the people who owe money and get the money and bring it in?

Miss FORRESTAL. No. If they have I never heard of it.

The CHAIRMAN. How much salary are you paid?

Miss FORRESTAL. \$400 a month.

The CHAIRMAN. You have been paid that all along?

Miss FORRESTAL. I believe when I started there it was a little bit less, and I got one raise since I have been there. I can't tell you exactly how much.

The CHAIRMAN. Do you get a percentage of the winnings or what not in addition to your salary?

Miss FORRESTAL. I have never asked how they figured out or arrived at my salary. However, I get paid \$42 a week and at the end of the month I get about \$200.

The CHAIRMAN. Is it different for each month? Some months it is \$200 and—

Miss FORRESTAL. I have gotten more.

The CHAIRMAN. So it must be on some kind of basis.

Miss FORRESTAL. It does average around \$400 a month.

The CHAIRMAN. They must have it figured on some percentage basis.

Miss FORRESTAL. They have never told me. I really don't know exactly how that is worked out.

The CHAIRMAN. I think that is all.

Mr. WHITE. How long have you known Mr. Carroll?

Miss FORRESTAL. Since the day that I went over there to apply for a job. He was in the office at the time. That was May of 1948.

Mr. WHITE. You didn't know him at all before that time?

Miss FORRESTAL. No, I didn't, although I had noticed his name in the sports pages of the papers.

Mr. WHITE. Was any member of your family closely connected with or a friend of Mr. Carroll?

Miss FORRESTAL. No.

Mr. WHITE. Did you discuss my service of your subpoena with your mother?

Miss FORRESTAL. Yes; I did.

Mr. WHITE. Did she relate to you any of the conversation I had with her?

Miss FORRESTAL. I believe she said that you served the subpoena to me, and she said I wasn't home, and you said, "I will give it to you." I believe that is the way it went. I can't remember.

Mr. WHITE. That is your mother who was living there?

Miss FORRESTAL. Yes, it is; but she hasn't been too well, so if she forgot to tell me something I really don't know—

Mr. WHITE. If your mother told me that she had been the friend of Carrolls for 30 years, would that amaze you?

Miss FORRESTAL. No, not at all, because my mother told me she went out with a James Carroll when she was a young girl. However, I don't believe it is the same Mr. Carroll, because I mentioned it to him one time and he said that was another Jimmie Carroll who lived in East St. Louis. I believe I have mentioned it to my mother that it is a different one. However, she probably thought it was.

Mr. WHITE. She told me when I served the subpoena that you were working for Jimmie Carroll, the bookmaker, and she had known him for 30 years.

Miss FORRESTAL. No; she doesn't know this one. I don't believe she has known Mr. Carroll for 30 years.

Mr. WHITE. So it wasn't Jimmie Carroll who got you your employment with Mr. Mooney?

Miss FORRESTAL. No; it wasn't. No, actually, I did not know Mr. Carroll before I went to work there and I am sure my mother is confused and it is not the same James Carroll that she knew before she was married. I am very sure of that. But, as I say, my mother has been ill and she was confused and I suppose maybe she did tell you that thinking—I really don't know why she would.

Mr. HALLEY. How many people work in the establishment?

Miss FORRESTAL. I think between 19 and 20, something like that.

Mr. HALLEY. But those go in both rooms?

Miss FORRESTAL. Oh, no.

Mr. HALLEY. How many altogether?

Miss FORRESTAL. I think there are six or seven in the back. I am guessing.

Mr. HALLEY. What do they do in the back?

Miss FORRESTAL. Take bets on horses.

Mr. HALLEY. They operate the phones?

Miss FORRESTAL. Yes.

Mr. HALLEY. So there would be about 25 or 26 people altogether.

Miss FORRESTAL. Something like that.

Mr. WHITE. How many rooms does this bookmaking establishment consist of?

Miss FORRESTAL. Two. I am sorry, there aren't 21 people in our immediate office. I am counting 2 people that are on the road, so to speak, who travel. I think there are 18 or 19.

Mr. HALLEY. The people operate at the track and phone bets in?

Miss FORRESTAL. What do you mean phone bets?

Mr. HALLEY. Do you have people—they don't phone the bets in, they just record them and settle up at the end of the week. But do you have people at the race track who take bets?

Miss FORRESTAL. No.

Mr. HALLEY. For instance—

Miss FORRESTAL. Oh. I am confused on that.

Mr. HALLEY. Here is what I mean.

Mr. SHENKER. Mr. Halley isn't trying to confuse you.

Mr. HALLEY. I am trying to find out a little bit about the operation.

Miss FORRESTAL. They are our men, paid by us. We have a man at the track, for instance at Chicago, and we lay off money, but I thought you meant do they bet us.

Mr. HALLEY. Is that to lay off on the machine, to lay off money with other bettors?

Miss FORRESTAL. I don't know that much about it. With other bettors?

Mr. HALLEY. Let's see if I can get at it this way. Do the people that you have at the track take bets from people?

Miss FORRESTAL. Oh, no.

Mr. HALLEY. What do they do?

Miss FORRESTAL. We give them money, that is lay-off money.

Mr. HALLEY. And they put that money into the mutuel machines?

Miss FORRESTAL. Really I have never watched them and don't know. I suppose they go up to the window like anyone who goes to a race track, I presume. I don't know that much about it.

Mr. HALLEY. Do they take any bets?

Miss FORRESTAL. You mean do our men accept bets? No; not that I know of.

Mr. HALLEY. From people at the track?

Miss FORRESTAL. No; I wouldn't think so.

Mr. WHITE. Miss Forrestal, you say there are two rooms?

Miss FORRESTAL. Yes.

Mr. WHITE. The room I entered was just one room.

Miss FORRESTAL. That is right, then you go down the hall and there is another one.

Mr. WHITE. Down the hall. You mean right directly across with a sign on the door saying "private"?

Miss FORRESTAL. No.

Mr. WHITE. Where does that other room enter from?

Miss FORRESTAL. I guess you didn't get to the back part of the office because it is just down the hall and there is another room. Did you see the refrigerator in there? You weren't very far inside our office.

Mr. WHITE. I guess not. Do you have any connection—does this establishment have any connection with the place directly across the hall from the main entrance as you come up the stairs to the landing?

Miss FORRESTAL. Oh, no. That is a private office.

Mr. WHITE. No connection with your business.

Miss FORRESTAL. No. As far as I know. I think the man owns the building.

The CHAIRMAN. Where is Mr. Carroll now?

Miss FORRESTAL. I saw him last Friday, and since then I wouldn't know where he is.

The CHAIRMAN. Is he out of town?

Miss FORRESTAL. He could be. I don't really know, sir.

Mr. WHITE. Did you see him after the subpoena was served?

Miss FORRESTAL. No.

The CHAIRMAN. Does Mr. Carroll have a son, J. J. Carroll, Jr.?

Miss FORRESTAL. Yes.

The CHAIRMAN. Where does he live?

Miss FORRESTAL. In California.

The CHAIRMAN. What does he do?

Miss FORRESTAL. I think he has some sort of manufacturing business. I really could not say because I don't know.

The CHAIRMAN. Does he have an operation out there similar to the one you work in, do you know?

Miss FORRESTAL. Young Jim Carroll?

The CHAIRMAN. Yes.

Miss FORRESTAL. No; I don't believe he has ever been in this business as far as I know.

The CHAIRMAN. All right, that is all.

Mr. SHENKER. The record may show that I happen to know young Jim Carroll and he is not engaged in any such business.

The CHAIRMAN. What does he do?

Mr. SHENKER. He is in the manufacturing business. He is married and has a child. He lives out on the coast. He is in the manufacturing business, specialty manufacturing, some specialty for automobile fenders.

Miss FORRESTAL. Oh, yes; that is right.

Mr. SHENKER. He has no connection with the business.

Miss FORRESTAL. I am sorry, my mother confused you on that.

Mr. WHITE. I was just curious as to your background.

The CHAIRMAN. Could you give us your best estimate of the amount of money that would be bet per day?

Miss FORRESTAL. It varies.

The CHAIRMAN. Your best estimate, of an average day.

Mr. SHENKER. The best estimate that you can. They realize it is an estimate.

Miss FORRESTAL. I don't know what they mean. Do they mean the take?

Mr. SHENKER. No; the whole money that comes in.

Miss FORRESTAL. That is the take. Of course maybe the pay is greater. That is what I am trying to tell you.

The CHAIRMAN. We are asking you about the take.

Miss FORRESTAL. I suppose maybe \$20,000, \$16,000, something like that.

The CHAIRMAN. You think that is an average day?

Miss FORRESTAL. I think maybe \$16,000 would be closer, probably. I am awfully poor at that, though.

The CHAIRMAN. What is the technical name of this place?

Miss FORRESTAL. John Mooney. Oh, Maryland Bookshop, I believe is the way.

The CHAIRMAN. The what?

Miss FORRESTAL. The Maryland Bookshop, M-a-r-y-l-a-n-d.

The CHAIRMAN. All right.

Mr. SHENKER. Thank you, sir.

The CHAIRMAN. Thank you, Miss Forrestal.

Miss FORRESTAL. You are welcome.

The CHAIRMAN. Chief Vickery, please.

You are Mr. Vickery?

Mr. HOBAN. I am Mr. Hoban, his attorney.

The CHAIRMAN. What is your first name?

Mr. HOBAN. John.

The CHAIRMAN. What is your address?

Mr. HOBAN. 104 North Main Street, East St. Louis.

The CHAIRMAN. You are representing Mr. Vickery?

Mr. HOBAN. Yes.

The CHAIRMAN. Let the record so show. Chief, will you hold up your hand?

Do you solemnly swear that the testimony you give the committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. VICKERY. I do.

**TESTIMONY OF JOHN VICKERY, CHIEF OF POLICE, FAIRMONT CITY,  
ILL., ACCOMPANIED BY JOHN HOBAN, ATTORNEY, EAST ST.  
LOUIS, ILL.**

Mr. HALLEY. What is your address, Mr. Vickery?

Mr. VICKERY. 2502 North Forty-fifth Street, Fairmont City.

Mr. HALLEY. Illinois?

Mr. VICKERY. Yes, sir.

Mr. HALLEY. What is your occupation?

Mr. VICKERY. Police chief.

Mr. HALLEY. How long have you been chief of police of Fairmont City?

Mr. VICKERY. About 1 year.

Mr. HALLEY. Prior to that what was your occupation?

Mr. VICKERY. Coal miner.

Mr. HALLEY. You were a coal miner until 1949?

Mr. VICKERY. Until 1947. I was night patrolman before I was chief.

Mr. HALLEY. You were a coal miner until 1947? About what month?

Mr. VICKERY. I really don't recall what month.

Mr. HALLEY. Was it in the spring or in the fall, the early part of the year or the latter part of the year?

Mr. VICKERY. It was the early part of the year.

Mr. HALLEY. After the early part of 1947 you became a night patrolman?

Mr. VICKERY. Yes, sir.

Mr. HALLEY. On the police force of Fairmont City?

Mr. VICKERY. That is right.

Mr. HALLEY. Did you hold any other job between then and the time you became police chief?

Mr. VICKERY. No, sir.

Mr. HALLEY. When did you become chief of police?

Mr. VICKERY. About the 5th of May.

Mr. HALLEY. About the 5th of May 1949?

Mr. VICKERY. Yes, sir.

Mr. HALLEY. Mr. Vickery, do you know anything about the Melba bookmaking establishment, Melba Co.?

Mr. VICKERY. Just what I heard.

The CHAIRMAN. Speak louder, Chief, so the reporter can hear it and so I can hear it.

Mr. HALLEY. What did you hear and what can you tell this committee about the Melba Co.?

Mr. VICKERY. I had heard that there was a news service there of some sort, a wire service.

Mr. HALLEY. A news service where?

Mr. VICKERY. On Cookton Road.

Mr. HALLEY. In Fairmont City?

Mr. VICKERY. Yes, sir.

Mr. HALLEY. You say you had heard it. From whom did you hear it?

Mr. VICKERY. No one in particular. I just heard that.

Mr. HALLEY. What else can you tell the committee about it?

Mr. VICKERY. That is practically all.

Mr. HALLEY. Do you know a man named Snyder?

Mr. VICKERY. No, sir.

Mr. WHITE. Paul J. Snyder?

Mr. VICKERY. No, sir.

Mr. HALLEY. Did you ever hear of him?

Mr. VICKERY. I have heard of him.

Mr. HALLEY. Where did you hear from him and from whom?

Mr. VICKERY. No one in particular. I have just heard the name mentioned.

Mr. HALLEY. Were you asked by the investigators for this committee the location of the Melba bookmaking establishment so they could serve a subpoena?

Mr. VICKERY. Yes, sir.

Mr. HALLEY. You told them you didn't know where it was, did you not?

Mr. VICKERY. That is right.

Mr. HALLEY. But you do know where it is, is that not right?

Mr. VICKERY. They asked me where there was a bookie, if I am not mistaken, and I said I didn't know where there was a bookie at Fairmount.

Mr. HALLEY. You couldn't even tell them where the place was. It is just a block from your police station, isn't it?

Mr. VICKERY. That is right.

Mr. HALLEY. Yet you refused to tell—

The CHAIRMAN. You mean the Melba Co. was one block from the police station?

Mr. HALLEY. Yes, sir.

What did you do after our investigators called on you? Who called on you; Mr. White, here?

Mr. VICKERY. Yes, sir.

Mr. HALLEY. What did you do after he left? Did you make any phone calls?

Mr. VICKERY. No, sir.

Mr. HALLEY. Did you walk over to the Melba Co. yourself afterward?

Mr. VICKERY. No, sir.

Mr. HALLEY. Have you spoken to Mr. Schneider since seeing Mr. White?

Mr. VICKERY. No, sir.

Mr. HALLEY. Chief Vickery, you have said that you heard there was a news service located at this bookmaking establishment. Did you not know that it was a bookmaking establishment?

Mr. VICKERY. Not for sure; no.

Mr. HALLEY. What do you mean, not for sure?

Mr. VICKERY. Only what I had heard.

Mr. HALLEY. What had you heard?

Mr. VICKERY. That there was a news service there.

Mr. HALLEY. You heard it was called the Melba Co., I suppose?

Mr. VICKERY. No.

Mr. HALLEY. What do they have on the door?

Mr. VICKERY. I really don't know.

Mr. HALLEY. There must be some sign outside the door, isn't there?

Mr. VICKERY. I couldn't say.

Mr. WHITE. You have read in the papers that this was a bookmaking establishment, hadn't you?

Mr. VICKERY. Yes, sir.

Mr. WHITE. On several occasions?

Mr. VICKERY. Yes, sir.

Mr. WHITE. That was much prior to my visit to Fairmont City last Friday?

Mr. VICKERY. Yes, sir.

The CHAIRMAN. Was not there a big lawsuit about this Melba Co.?

Mr. WHITE. Yes.

The CHAIRMAN. The Post Office Department brought some lawsuit or something?

Mr. WHITE. That is right.

The CHAIRMAN. Is that the same company?

Mr. WHITE. The same company; yes, sir.

Mr. HALLEY. Why didn't you tell Mr. White where it was located? Why did you try to delay him in his service of this subpoena, Chief Vickery?

Mr. VICKERY. I was asked where there was a bookie and I didn't know.

Mr. HALLEY. You were also asked where it was located and you specifically said you didn't know, isn't that right?

Mr. WHITE. That is right. Weren't you also asked, Chief, where the Melba Co. was specifically?

Mr. VICKERY. It seems to me like I was asked where a bookie was located.

Mr. WHITE. It also seems to you and you also recall, don't you, that you were asked specifically if you knew where the Melba Co. was on Cookson Road?

Mr. VICKERY. No, it seems to me what I said—

Mr. HALLEY. Do you care to leave the record so there will be a specific conflict of veracity between you and Mr. White?

Mr. VICKERY. It seems to me that is the way I understood it.

Mr. HALLEY. Your story is that you weren't asked about the Melba Co. at all?

Mr. VICKERY. It seems to me as though I was asked about a bookie, where the bookies were located.

Mr. HALLEY. You are sure Mr. White didn't mention the Melba Co.? Are you absolutely sure?

Mr. VICKERY. No, I am not sure.

Mr. HALLEY. Are you sure he didn't mention Cookson Road?

Mr. VICKERY. No, I am not sure of that.

Mr. HALLEY. Now, Chief Vickery, what is your salary as chief?

Mr. VICKERY. \$240 a month.

Mr. HALLEY. What was your salary as night patrolman?

Mr. VICKERY. \$215 a month.

Mr. HALLEY. That was a month?

Mr. VICKERY. Yes, sir.

Mr. HALLEY. Have you any other sources of income other than your salary?

Mr. VICKERY. My wife is in business.

Mr. HALLEY. What business is your wife in?

Mr. VICKERY. A restaurant, tavern.

Mr. HALLEY. Where is that located?

Mr. VICKERY. Forty-fifth Street in Fairmont City.

Mr. HALLEY. How long has she been in that business?

Mr. VICKERY. Four years.

Mr. HALLEY. Has she any partners in that tavern business?

Mr. VICKERY. No, sir.

Mr. HALLEY. She is in that alone?

Mr. VICKERY. Yes, sir.

Mr. HALLEY. Prior to becoming—what were your earnings as a coal miner?

Mr. VICKERY. Eight dollars a day.

Mr. HALLEY. Do you have with you your income-tax returns pursuant to subpoena?

Mr. VICKERY. Yes, sir.

Mr. HALLEY. Will you turn them over to the committee at this time?

Mr. VICKERY. Yes, sir [producing documents].

The CHAIRMAN. What years do you have there, Chief?

Mr. VICKERY. From 1945 up to now.

Mr. HOBAN. Those are joint returns made by him and his wife.

Mr. HALLEY. You have made joint returns, is that right?

Mr. VICKERY. That is right.

Mr. HALLEY. In each case are these returns accurate?

Mr. VICKERY. Yes, sir.

Mr. HALLEY. Do they really reflect the income received by you and your wife?

Mr. VICKERY. Yes, sir.

Mr. HALLEY. Let's start with 1947 and work our way up. We will start with 1945. I think that might be best. In 1945—I don't think I have the return for 1945. Here is 1946, 1947, 1948, and 1949. Is this what you have for 1945?

Did you have any assets at the end of 1945?

Mr. VICKERY. The tavern.

Mr. HALLEY. You had the tavern. That is, your wife had it.

Mr. VICKERY. Yes, sir.

Mr. HALLEY. Did you have a bank account?

Mr. VICKERY. No, sir.

Mr. HALLEY. Do you have one yet?

Mr. VICKERY. No, sir.

Mr. HALLEY. Does your wife have a bank account?

Mr. VICKERY. No, sir.

Mr. HALLEY. Where do you keep your money?

Mr. VICKERY. Well, we haven't got that much to worry about.

Mr. HALLEY. Where do you keep the money that you do have?

Mr. VICKERY. In a safe.

Mr. HALLEY. Where is the safe?

Mr. VICKERY. In the house.

Mr. HALLEY. Is it an actual safe or a vault?

Mr. VICKERY. No; it is a safe.

Mr. HALLEY. With a combination on it?

Mr. VICKERY. Yes, sir.

Mr. HALLEY. Do you have a safe-deposit box?

Mr. VICKERY. No, sir.

Mr. HALLEY. You keep your money in a safe in the house?

Mr. VICKERY. Yes, sir.

The CHAIRMAN. Is that the only property you had in 1945, the tavern?

Mr. VICKERY. Yes, sir.

The CHAIRMAN. What is that worth? What did it cost you?

When did your wife buy it?

Mr. VICKERY. Here it all is, right here [producing a document].

Mr. HOBAN. This is merely a description of the property.

The CHAIRMAN. What does it show, Mr. Lawyer. You know what it cost.

Mr. HOBAN. Senator, I am afraid I couldn't place a value on it. Valuation in Fairmont City is probably lower than any place in the county.

The CHAIRMAN. What did it cost when you bought it?

Mr. VICKERY. \$5,000, I believe.

The CHAIRMAN. When did you buy it, or when did your wife buy it?

Mr. VICKERY. About 1945 or 1946.

Mr. HALLEY. It shows here in your 1946 return, operation of the tavern for 9 months. Would that mean that you bought it in 1946?

Mr. VICKERY. Yes, sir.

Mr. HALLEY. Let's follow through starting, then, in 1946. What did she pay for the tavern; do you know?

Mr. VICKERY. \$5,000.

Mr. HALLEY. It says here on this return, \$2,500.

Mr. VICKERY. That was down payment.

Mr. HALLEY. \$2,500 was to be paid out?

Mr. VICKERY. Yes, sir.

Mr. HALLEY. Did you have any other money besides that \$2,500, or did she at that time?

Mr. VICKERY. Yes; around a thousand dollars.

Mr. HALLEY. About a thousand dollars.

Mr. VICKERY. Yes, sir.

Mr. HALLEY. Then in 1946 between yourself and your wife you reported to the Government total earnings of \$5,207.83. Would that be right?

Mr. VICKERY. Yes, sir.

Mr. HALLEY. On that you paid a tax of something like \$600; is that right?

Mr. VICKERY. Yes, sir.

Mr. HALLEY. Then in 1947 the tavern apparently wasn't—the tavern seems to be about the same degree of success, but your earnings as a coal miner dropped to \$886; is that right?

Mr. VICKERY. Yes, sir.

Mr. HALLEY. So the total family income was \$3,051.66. That is when you entered the police force, some time in 1947?

Mr. VICKERY. Yes, sir.

Mr. HALLEY. I guess it was in 1948 because you show no income from the police force in 1947.

Mr. VICKERY. It was in 1948 that I went on the police force.

Mr. HALLEY. Your total wages in 1948 from the police force was \$1,720 that you reported; is that right?

Mr. VICKERY. Yes, sir.

Mr. HALLEY. Your total family income was \$3,275. Then in 1949 the total family income was, you earned \$2,738, I believe and the tavern showed a higher profit and the total is \$5,517.

Mr. VICKERY. Yes, sir.

Mr. HALLEY. I understand you have quite a large diamond ring. You had it when you saw Mr. White last?

Mr. VICKERY. That is right.

Mr. HALLEY. You are not wearing it today, I notice. Where did you get it?

Mr. VICKERY. My wife bought it for me.

Mr. HALLEY. How long ago?

Mr. VICKERY. I think it was about 3 years ago.

Mr. HALLEY. How much was it?

Mr. VICKERY. I think it was \$1,200.

Mr. WHITE. Where did she buy it?

Mr. VICKERY. Zerweeks, East St. Louis.

Mr. HALLEY. You own a Cadillac?

Mr. VICKERY. Yes, sir.

Mr. HALLEY. Did you buy it new?

Mr. VICKERY. Yes, sir.

Mr. HALLEY. In what year?

Mr. VICKERY. This year.

Mr. HALLEY. 1950!

Mr. VICKERY. Yes, sir.

Mr. HALLEY. Where did you buy it?

Mr. VICKERY. East St. Louis.

Mr. HALLEY. What model is it?

Mr. VICKERY. 1950, a 62.

Mr. HALLEY. A sedan?

Mr. VICKERY. Yes.

Mr. HALLEY. What did you pay for that?

Mr. VICKERY. \$4,100.

Mr. HALLEY. Did you trade another car in on it?

Mr. VICKERY. No, sir.

Mr. HALLEY. Had you owned a car before that?

Mr. VICKERY. Yes, sir.

Mr. HALLEY. What car did you own before that?

Mr. VICKERY. A Studebaker.

Mr. HALLEY. What year?

Mr. VICKERY. 1939.

Mr. HALLEY. You just kept that?

Mr. VICKERY. Yes, sir. I gave it to my daughter.

Mr. HALLEY. I see. Does your daughter have an income?

Mr. VICKERY. Yes.

Mr. HALLEY. Does she work?

Mr. VICKERY. She works for my wife.

Mr. HALLEY. In the tavern?

Mr. VICKERY. Yes.

Mr. HALLEY. She drives the Studebaker now?

Mr. VICKERY. Yes, sir.

Mr. HALLEY. Chief Vickery—

The CHAIRMAN. How many children have you, by the way?

Mr. VICKERY. One.

Mr. HALLEY. Do you own a house?

Mr. VICKERY. I did, but I lost it in a fire.

Mr. HALLEY. In a fire how long ago?

Mr. VICKERY. Around 1945, just before I bought the tavern.

Mr. HALLEY. Did you get any insurance money?

Mr. VICKERY. Yes, sir.

Mr. HALLEY. How much?

Mr. VICKERY. Well, around \$3,500, I believe.

Mr. HALLEY. That was what you used to buy the tavern?

Mr. VICKERY. Yes, sir.

Mr. HALLEY. And a thousand was left over?

Mr. VICKERY. Yes, sir.

Mr. HALLEY. Whose house was that, yours or your wife's?

Mr. VICKERY. Both of ours.

Mr. HALLEY. I see. Then you gave the money to your wife to buy the tavern, is that right?

Mr. VICKERY. Yes, sir.

Mr. HALLEY. Do you own part of the tavern or is that just hers?

Mr. VICKERY. No; I own part of it.

Mr. HALLEY. Are you a half owner?

Mr. VICKERY. Yes, sir.

Mr. HALLEY. Are there any slot machines in that tavern?

Mr. VICKERY. No, sir.

Mr. HALLEY. Are you sure?

Mr. VICKERY. Yes, sir.

Mr. HALLEY. Were there ever any?

Mr. VICKERY. There has been.

Mr. HALLEY. When were they allowed slot machines?

Mr. VICKERY. About a year ago.

Mr. HALLEY. How many did you have?

Mr. VICKERY. I think there were three.

Mr. HALLEY. Three?

Mr. VICKERY. Yes, sir.

Mr. HALLEY. When did you take them out?

Mr. VICKERY. It seems to me around 9 months ago.

Mr. HALLEY. How long were they in? Several years; isn't that so?

Mr. VICKERY. They were there when we bought the place.

Mr. HALLEY. Did you live in the tavern?

Mr. VICKERY. Yes, sir. Well, not in the tavern. I have a room in the back.

Mr. HALLEY. Do you own any other property?

Mr. VICKERY. No, sir.

Mr. HALLEY. How much cash do you have now?

Mr. VICKERY. Well, I imagine around a thousand dollars.

Mr. HALLEY. In the safe?

Mr. VICKERY. Yes, sir.

Mr. HALLEY. Does your wife own any other property?

Mr. VICKERY. No, sir.

Mr. HALLEY. Any stocks or bonds?

Mr. VICKERY. No, sir.

Mr. HALLEY. Will you tell the committee why you permit this book establishment to operate within a block of your police station?

Mr. VICKERY. I just never had had no complaint about it.

Mr. HALLEY. How about the complaints in the newspapers? Does anybody pay you any money to allow them to operate?

Mr. VICKERY. No, sir.

Mr. HALLEY. Has anybody ever paid you any money?

Mr. VICKERY. Not a penny.

Mr. HALLEY. You have not received one single penny over and above your salary?

Mr. VICKERY. That is correct.

Mr. HALLEY. Where did you get the money to buy the diamond ring and the Cadillac automobile?

Mr. VICKERY. Well, the Cadillac isn't paid for.

Mr. HALLEY. How much did you pay down on it?

Mr. VICKERY. \$2,000.

Mr. HALLEY. Is the diamond ring paid for?

Mr. VICKERY. Yes, sir.

Mr. HALLEY. What are the monthly payments on the Cadillac?

Mr. VICKERY. \$175 a month.

Mr. HALLEY. What is your salary?

Mr. VICKERY. \$240.

Mr. HALLEY. Do you have the Cadillac insured?

Mr. VICKERY. The company has that I bought it from.

Mr. HALLEY. You run it regularly?

Mr. VICKERY. In my work; yes, sir.

Mr. HALLEY. I don't see how you can live if you pay \$175 out of a \$240 monthly salary and run an automobile.

Mr. VICKERY. The city pays my expense.

Mr. HALLEY. It doesn't pay the \$175.

Mr. VICKERY. Oh, no.

Mr. HALLEY. How do you live?

Mr. VICKERY. Well, I manage. I haven't got no expensive habits for one thing.

Mr. HALLEY. How did you manage to finance the diamond ring?

Mr. VICKERY. My wife managed that.

Mr. HALLEY. How did she do that?

Mr. VICKERY. She just bought it for me, that is all.

Mr. HALLEY. Saved up all that cash?

Mr. VICKERY. She never paid cash for it.

Mr. HALLEY. Did she buy that on credit, too?

Mr. VICKERY. Yes, sir.

Mr. HALLEY. What were the monthly payments on that?

Mr. VICKERY. I don't know.

Mr. HALLEY. Chief, do you think you have done your duty as the chief of police of Fairmont City in allowing this bookmaking establishment to operate so close to your police headquarters, one about which you had read even in the newspapers?

Mr. VICKERY. Well, just like I said before, nobody had made no complaint to me about it. Nobody had ever said anything.

Mr. HALLEY. The newspapers have been complaining about it for some time.

Mr. HORAN. Let me interpose one suggestion here, Mr. Halley. You referred to it as a bookmaking establishment. I don't think the newspapers have ever referred to it as a bookmaking establishment. The reference has always been to a news-wire service. A bookmaking establishment to us around here means a place where they walk in and bet and come out again.

Mr. HALLEY. I will let the witness answer.

The CHAIRMAN. I will ask you to tell me your name again, please.

Mr. HOBAN. Hoban, Ho-b-a-n.

The CHAIRMAN. Was not the publicity in the Melba Co. in the criminal suit the United States Government brought all in the papers out here for quite a long time?

Mr. HOBAN. They have had various items concerning that outfit in the paper for over a year anyway, Senator, I would say, not particularly on the criminal matter that you refer to, but various other matters. At one time—

The CHAIRMAN. Crime reporters have been writing about it for years.

Mr. HOBAN. The only thing I can remember Link writing about is the Shelton gang.

The CHAIRMAN. Let me ask the chief one or two questions. Is this in a house all by itself, this Melba Co., in a bungalow?

Mr. VICKERY. Yes, sir.

The CHAIRMAN. There is nothing else then in there?

Mr. VICKERY. I don't know. I have never been in the place.

The CHAIRMAN. Do you know anybody who works in there?

Mr. VICKERY. No, sir.

The CHAIRMAN. Did anybody ever tell you, any official of the city or the sheriff or anybody to lay off that place?

Mr. VICKERY. No, sir.

The CHAIRMAN. There has been another establishment out there, the Reliable News Service, which has been operating in your town, hasn't there, Chief, for some time?

Mr. VICKERY. Yes, sir.

The CHAIRMAN. What is that Reliable News Service?

Mr. VICKERY. Well, I don't know.

The CHAIRMAN. Has not that been in the papers sometimes, too, that Reliable News Service is one of the big dispersers of race-horse news, and a fellow named Wortman—what is his name?

Mr. WHITE. Buster Wortman.

The CHAIRMAN. Mr. Brown and others own the place?

Mr. VICKERY. I don't know. I never met them.

The CHAIRMAN. Is it still operating?

Mr. VICKERY. No, sir; not that I know of.

The CHAIRMAN. When did it last operate?

Mr. VICKERY. I couldn't say.

The CHAIRMAN. Do you know Buster Wortman?

Mr. VICKERY. No, sir.

The CHAIRMAN. Never saw him?

Mr. VICKERY. Not that I know of.

The CHAIRMAN. What sort of license does this Reliable News Service have?

Mr. VICKERY. A coal dealer's license.

The CHAIRMAN. Did you check that?

Mr. VICKERY. Did I check that?

The CHAIRMAN. Yes.

Mr. VICKERY. Well, that is the way I understand. They pay a coal dealer's license.

The CHAIRMAN. It is listed as Reliable News Service and they pay a coal dealer's license. Is that right, Chief?

Mr. HALLEY. Let the record show whether the chief answered that question or not.

Mr. VICKERY. It is listed as a coal dealer.

The CHAIRMAN. Would not that create some suspicion on your part that you had a news service listed as a coal dealer?

Mr. VICKERY. I imagine it did.

The CHAIRMAN. Why did you not do something about it?

Mr. VICKERY. I just wasn't told to.

The CHAIRMAN. Told by whom?

Mr. VICKERY. I have to take orders, too.

The CHAIRMAN. Who do you take orders from?

Mr. VICKERY. There were no complaints.

The CHAIRMAN. Who do you take orders from, Chief?

Mr. VICKERY. The mayor and the board members.

The CHAIRMAN. You advise with them about what places to get after and what places not to?

Mr. VICKERY. No. There are times that they tell me to do certain things.

The CHAIRMAN. Who tells you to do certain things?

Mr. VICKERY. A board member will come up, and I am also street commissioner. He will tell me—

The CHAIRMAN. You do not have to wait until you get orders from them before you go after some place that is operating illegally, do you?

Mr. VICKERY. Anything that I see and know that is going on, I manage to take care of it.

The CHAIRMAN. You do not have to get instructions from them if you know it is in violation of the law, do you?

Mr. VICKERY. If I see it going on: no.

The CHAIRMAN. Well, you knew this Reliable News Service was going on, did you not?

Mr. VICKERY. I could not prove it. I was not sure of it. You see I had never been about the place. I never saw no cars there. I never saw no one going in or out, nothing like that. I had plenty of other things that I was actually seeing going on that I had to take care of.

that I didn't have time to look for something that I didn't know for sure existed.

The CHAIRMAN. Who told you not to do some things? Did you go to see somebody and say shall I or shall I not go down and close up this place?

Mr. VICKERY. No, sir.

The CHAIRMAN. I was interested in these slot machines you had in your tavern. Were these one-arm bandits that you put money in?

Mr. VICKERY. Yes, sir.

The CHAIRMAN. And might or might not get something back?

Mr. VICKERY. Yes, sir.

The CHAIRMAN. Is that a violation of the law of Illinois?

Mr. VICKERY. Yes, sir.

The CHAIRMAN. How come you had them in your tavern?

Mr. VICKERY. They were there when my wife bought it.

The CHAIRMAN. You kept them there 4 years?

Mr. VICKERY. They wasn't there 4 years all the time.

The CHAIRMAN. You got them about a year ago, did you not?

Mr. VICKERY. They were in and out.

The CHAIRMAN. In and out? Why did you take them in and out?

Mr. VICKERY. I could not answer that.

The CHAIRMAN. You must have had some reason to take them out and bring them back in. What was it?

Mr. VICKERY. Well, my wife takes care of that part. I do not go about the tavern; very seldom.

The CHAIRMAN. They are hard to take out, are they not? They are big machines. Where do you put them when you take them out? Where are they now?

Mr. VICKERY. I don't know where they are at.

The CHAIRMAN. You must know where they are. You have not sold them, have you?

Mr. VICKERY. No.

The CHAIRMAN. Where are they?

Mr. VICKERY. I don't know.

The CHAIRMAN. Have you no idea where they are?

Mr. VICKERY. No, sir.

The CHAIRMAN. Are they still on your premises over there?

Mr. VICKERY. No, sir.

The CHAIRMAN. Where did you take them to?

Mr. VICKERY. I never took them any place.

The CHAIRMAN. Who took them?

Mr. VICKERY. I couldn't answer that. I don't know.

The CHAIRMAN. Did you not ask your wife what happened to them?

Mr. VICKERY. No, sir.

The CHAIRMAN. They just evaporated and you never inquired about whether they went or not?

Mr. VICKERY. I wasn't there when they were taken away.

The CHAIRMAN. I know, but they are valuable machines, aren't they?

Mr. VICKERY. I imagine they would be.

The CHAIRMAN. Wouldn't you make some inquiry about something that was missing when you came back to the tavern?

Mr. VICKERY. Well, she don't mess with my business and I don't bother with hers.

The CHAIRMAN. But this is half your business, is it not?

Mr. VICKERY. In a way it is.

The CHAIRMAN. In a way. You paid half the money on it, did you not?

Mr. VICKERY. Yes; I did.

The CHAIRMAN. You file a joint return, so you both live out of the income from it. You live on the premises.

Mr. VICKERY. That is right.

The CHAIRMAN. Who appoints you, anyway, Chief?

Mr. VICKERY. Mayor Thomas does that.

The CHAIRMAN. Does the mayor or the board appoint you?

Mr. VICKERY. The mayor appoints me and the board approves it.

The CHAIRMAN. Who is the sheriff over there?

Mr. VICKERY. Fisher.

The CHAIRMAN. Did you ever talk with him about these places operating?

Mr. VICKERY. No, sir.

The CHAIRMAN. Does he come inside Fairmont City?

Mr. VICKERY. I have never met the man.

The CHAIRMAN. You have never met him?

Mr. VICKERY. No, sir. I have worked with his deputies, but I have never met him.

The CHAIRMAN. All right.

Anything else, Mr. White?

Mr. WHITE. Did you have a conversation with me Saturday in East St. Louis at which time you told me that this automobile was a gift from your mother?

Mr. VICKERY. Yes; that is right.

Mr. WHITE. Is that the truth?

Mr. VICKERY. Yes, sir.

Mr. WHITE. Did your mother buy this car or did you buy it?

Mr. VICKERY. I bought it with \$1,600 of her money.

Mr. WHITE. Where did your mother get the money?

Mr. VICKERY. Well, I don't—my father.

Mr. WHITE. How old is your mother?

Mr. VICKERY. Sixty.

Mr. WHITE. Does she work?

Mr. VICKERY. No, sir.

Mr. WHITE. Does she have any source of income?

Mr. VICKERY. No, sir.

Mr. WHITE. How does she pay the bills?

Mr. VICKERY. My father is retired.

Mr. WHITE. Is your father still living?

Mr. VICKERY. Yes, sir.

Mr. WHITE. Drawing a pension?

Mr. VICKERY. No, sir.

Mr. WHITE. What is he retired from?

Mr. VICKERY. He was a boss in the mine.

Mr. WHITE. Didn't you tell me Saturday that your father was dead?

Mr. VICKERY. No, sir; I did not.

Mr. WHITE. Do you remember having a conversation with Mr. Connor and myself in Mr. Connor's office and you said your mother was a widow and inherited some money?

Mr. VICKERY. I certainly never.

Mr. HALLEY. Chief, why do you say this was a gift from your mother?

Mr. VICKERY. Because it was.

Mr. HALLEY. Why didn't you tell that to the committee when you testified a little while ago that you had bought it yourself, referring to the Cadillac car?

Mr. VICKERY. Mr. White knew that. I told Mr. White.

Mr. HALLEY. Where does your mother live?

Mr. VICKERY. Collinsville, Ill.

Mr. HALLEY. Does she own her own home?

Mr. VICKERY. Yes, sir.

Mr. HALLEY. When did she buy it?

Mr. VICKERY. About 25 years ago.

Mr. HALLEY. Do you give her any money?

Mr. VICKERY. No, sir. I did until I got married.

Mr. HALLEY. You don't contribute to her support in any way?

Mr. VICKERY. No, sir.

Mr. HALLEY. Does she hold any money for you?

Mr. VICKERY. How do you mean, does she hold any money for me?

Mr. HALLEY. Does she keep any money for you?

Mr. VICKERY. Of my own money?

Mr. HALLEY. Yes.

Mr. VICKERY. No, sir.

Mr. HALLEY. Has she ever kept any money for you?

Mr. VICKERY. No, sir.

Mr. HALLEY. Does she own any stocks and bonds to your knowledge?

Mr. VICKERY. Not to my knowledge.

Mr. HALLEY. Has she any property other than the house she lives in?

Mr. VICKERY. No, sir.

Mr. HALLEY. And you do not give her any money?

Mr. VICKERY. No, sir.

The CHAIRMAN. All right. Anything else?

Mr. HALLEY. No.

Mr. WHITE. No.

Mr. HOBAN. May we have the returns back?

Mr. HALLEY. Not just yet. We want to photostat them.

Mr. HOBAN. But we will get them back?

The CHAIRMAN. You will get them back, Mr. Hoban. Thank you.

All right, Chief, you are excused.

Call Mayor Thomas.

Mayor Thomas, do you solemnly swear that the testimony you will give this committee will be the whole truth and nothing but the truth, so help you God?

Mr. THOMAS. I do.

Mr. HOBAN. I am also appearing with Mayor Thomas.

**TESTIMONY OF ANTHONY THOMAS, MAYOR, FAIRMONT CITY, ILL.,  
ACCOMPANIED BY JOHN HOBAN, ATTORNEY, EAST ST. LOUIS,  
ILL.**

The CHAIRMAN. You are mayor of Fairmont City, Ill.?

Mr. THOMAS. Yes, sir.

Mr. HALLEY. How long have you been mayor?

Mr. THOMAS. About 20 years.

Mr. HALLEY. Does Chief John Vickery of the police force operate under your direct orders?

Mr. THOMAS. Yes, sir.

Mr. HALLEY. Did you order him to enter or raid the Melba Co.?

Mr. THOMAS. No, sir.

Mr. HALLEY. Did you ever order him not to enter or raid the Reliable Co.?

Mr. THOMAS. No, sir.

Mr. HALLEY. Did you ever hear that the Melba Co. in Fairmont City was engaged in the bookmaking business?

Mr. THOMAS. Yes, sir.

Mr. HALLEY. Did you ever hear that the Reliable Co. in Fairmont City was engaged in the bookmaking business?

Mr. THOMAS. Yes, sir.

Mr. HALLEY. Did you order your chief of police to put them out of business?

Mr. THOMAS. No.

Mr. HALLEY. Why not?

Mr. THOMAS. Well, just on the ground that I didn't figure it would be good with the evidence that we had to have. We had to have evidence where they were gambling and making bets and paying off. With the wire system we didn't figure we could close them.

Mr. HALLEY. Did you ask for any help from the State police or the Governor?

Mr. THOMAS. No.

Mr. HALLEY. Or the county attorney?

Mr. THOMAS. No.

Mr. HALLEY. You could get help if you wanted it, could you not?

Mr. THOMAS. I don't know. I never asked them.

Mr. HALLEY. Do you know any of the people connected with the Melba Co.?

Mr. THOMAS. No; only this fellow that I see in the paper there, and I had saw him once, this man Schneider.

Mr. HALLEY. What is his full name?

Mr. THOMAS. I don't know that.

Mr. HALLEY. Where did you see him?

Mr. THOMAS. I seen him on the street there and I seen him—I didn't know him this morning, a fellow pointed him out to me here this morning.

Mr. HALLEY. You never met him before?

Mr. THOMAS. No.

Mr. HALLEY. Did you ever speak to any of the people who run this Melba Co.?

Mr. THOMAS. No; I am not acquainted with any of them.

Mr. HALLEY. How about the Reliable Co.? Are you acquainted with any of the people connected with that?

Mr. THOMAS. No; only all I know is what I see in the papers that it is controlled by a man by the name of Wortman. That is all I know.

Mr. HALLEY. Have you ever seen Wortman?

Mr. THOMAS. No, sir.

Mr. HALLEY. Do you know him?

Mr. THOMAS. No, sir. I have never seen him in my life.

Mr. HALLEY. Do you own an automobile?

Mr. THOMAS. Yes, sir.

Mr. HALLEY. What kind?

Mr. THOMAS. A Dodge.

Mr. HALLEY. What year?

Mr. THOMAS. 1947.

Mr. HALLEY. Did you think there was anything unusual in your chief of police getting a new Cadillac automobile?

Mr. THOMAS. No.

Mr. HALLEY. His salary is \$240 a month. You know that.

Mr. THOMAS. Since this come up, it looks funny, yes; but I never thought anything about it at all. He had money, I think, I am pretty sure.

Mr. HALLEY. He was a coal miner, wasn't he?

Mr. THOMAS. Yes, sir.

Mr. HALLEY. Then he was a night patrolman on your police force.

Mr. THOMAS. Yes.

Mr. HALLEY. Where would he have gotten money from?

Mr. THOMAS. I don't know. His folks, maybe.

Mr. HALLEY. No, they have none.

Mr. THOMAS. I don't know. I don't know his folks.

Mr. HALLEY. Has he always acted as though he had money?

Mr. THOMAS. He always got along.

The CHAIRMAN. Louder, please.

Mr. THOMAS. He always got along. I always figured he owned property and all, that he had money before he ever went on the police force.

Mr. HALLEY. Did you ever visit his tavern?

Mr. THOMAS. No. Excuse me. I was in there about once or twice when he first opened up. He wasn't a policeman then.

Mr. HALLEY. What was he doing then?

Mr. THOMAS. I don't know. I guess working in the mine.

Mr. HALLEY. Was he running the tavern, too?

Mr. THOMAS. Yes.

Mr. HALLEY. Did you see the slot machines he had there?

Mr. THOMAS. No, I will say not, because I wasn't there when he had slot machines. At this time there was no slot machines when I was there.

Mr. HALLEY. You do know that he had slot machines?

Mr. THOMAS. Yes, sir. I don't know. I hear that he did have.

Mr. HALLEY. Where did you hear that?

Mr. THOMAS. Sir?

Mr. HALLEY. Where did you hear that?

Mr. THOMAS. It was generally known that every place in town had them.

Mr. HALLEY. What about it?

The CHAIRMAN. Every place in town has them?

Mr. HALLEY. Is that right?

Mr. THOMAS. Not now, but they used to have them.

Mr. HALLEY. He got rid of his only about 9 months ago, he says.

Mr. THOMAS. I don't know when he got rid of them. Gentlemen, I haven't been in some of these places. I was in his place. It was quite a while ago, before he was a policeman.

Mr. HALLEY. Those things are illegal, aren't they?

Mr. THOMAS. Yes.

Mr. HALLEY. They are reputed to be under the control of racketeers from Chicago and other areas. Have you any information about that?

Mr. THOMAS. No, only that I know there was a faction there in the last 2 years, something like that, what I read in the newspapers, that one party was trying to take over from the other. That is all I know.

Mr. HALLEY. You expected a lot of bloodshed, didn't you, when Reliable opened up? It was even in the newspapers.

Mr. THOMAS. No.

Mr. HALLEY. That there was going to be a gang war?

Mr. THOMAS. No.

Mr. HALLEY. You read the newspapers, don't you?

Mr. THOMAS. I read the newspapers.

Mr. HALLEY. Didn't you read in the newspapers that a Chicago mob had come and opened up Reliable and that there was very apt to be bloodshed? Don't you remember that?

Mr. THOMAS. I remember when it was in the paper about them opening up, coming in here taking over.

Mr. HALLEY. And it looked like trouble?

Mr. THOMAS. Oh, yes. You naturally would think there would be, but I never figured it, because those gentlemen never came in our place. We have the reputation that those gangsters hang out in Fairmont, but that is mistaken. We have none of that.

Mr. HALLEY. What about your reputation. You just said that everybody knows there are slot machines all over town.

Mr. THOMAS. I have an idea there were.

Mr. HALLEY. Your reputation can't be very good even in your own mind, can it?

Mr. THOMAS. That is true.

Mr. HALLEY. Mayor, why do you let these things go on in your town? Are you powerless to do anything about them?

Mr. THOMAS. No, not exactly; but as I say, on this bookie stuff, if you call it bookie, we never figure them bookies because as long as they never took bets, we were under the impression that we couldn't have evidence where they used the telephone, enough evidence to do anything with them. We have seen rulings of the different courts and one thing and another, that they were indicted and such as that, and they got by with it, and they weren't proven guilty, so what would us little fellows do with a crowd of that kind?

Mr. HALLEY. You did give it serious consideration, then?

Mr. THOMAS. Oh, yes.

Mr. HALLEY. With whom did you talk about it?

Mr. THOMAS. Not the chief of police that we have. I talked to the chief of police before this man ever went on. When the place first opened up we figured it would be a bookie, you know, where they would bet money and such as that, and we kind of watched, but there never was to my knowledge, and I don't think there ever was a bet made or paid off in them places because you never see nobody going in or out. There are clerks that come there in the morning, and in the evening about 5 o'clock they leave. As far as the head fellows of those organizations, the gangsters or what you call them, I don't know whether—they were supposed to be head of the stuff, but whether

they were out there or not I don't know. I think they just merely had clerks.

Mr. HALLEY. Let us get back to the slot machines. They are clearly illegal, is that right?

Mr. THOMAS. That is right.

Mr. HALLEY. And they were all over town for many years, is that right?

Mr. THOMAS. Well, I don't know how long but they were in there.

Mr. HALLEY. All over town I think you said. And even your chief of police had some in his tavern, is that right?

Mr. THOMAS. Most likely. I wouldn't say so, I never saw them.

Mr. HALLEY. You have heard of it.

Mr. THOMAS. They all had them. Even with them I never saw them. I just took it for granted because I think most of the taverns in the country had them in as far as that goes.

Mr. HALLEY. You have never at any time attempted to do anything to stop these people from running slot machines?

Mr. THOMAS. I figured if they were to be caught, it was up to him to get them nailed.

Mr. HALLEY. How could they be caught if the chief of police was one of the people operating them?

Mr. THOMAS. There are other officials in the county besides us fellows.

Mr. HALLEY. You mean you would want some other official, county official, to catch your chief of police?

Mr. THOMAS. No, no. No, I don't mean that. In every place else there is something or other, and you go in there and you deprive your people, the same as the closing laws of taverns. We close our taverns up, and then they get the machines and they go someplace else, and then we would get the devil that the money was going out of town and they weren't getting it. We always had the closing time on our taverns. We have them limited. Also to keep the other element from coming in there we had an ordinance passed that you had to be a resident there 1 year before you were entitled to get a license. On top of that we put a limit on taverns, because when they would get these places in different parts that get in trouble, they wanted us to get out of their place and try to locate one place or another. In order to keep them out that is what we did.

Mr. HALLEY. In all fairness, then, would you say, Mayor, that you would advise the committee to look into other neighboring towns on the subject of slot machines and bookie joints, too?

Mr. THOMAS. I think it is up to them. I couldn't recommend those things. I don't know.

Mr. HALLEY. At least you say you weren't the only one.

Mr. THOMAS. I am satisfied of that.

Mr. HALLEY. Did you bring your income-tax returns with you?

Mr. THOMAS. Yes, sir.

Mr. HALLEY. Can you present them to the committee?

The CHAIRMAN. What business are you in, Mayor Thomas?

Mr. THOMAS. I work for the East Side Levee and Sanitary District.

The CHAIRMAN. What do you do with them?

Mr. THOMAS. Sir?

The CHAIRMAN. What do you do with them?

Mr. THOMAS. I am an inspector, patrolman. We are taking care of the levees, inspecting them and when the water is high, and after heavy rains to see that there is no danger there in the canals, and when the river gets high, you know those places where it is weak and the water is seeping. They call in to headquarters and they have a gang that sandbags those levees and one thing and another.

The CHAIRMAN. What do you make as mayor of the city of Fairmont?

Mr. THOMAS. One hundred dollars a month.

The CHAIRMAN. How large is Fairmont?

Mr. THOMAS. 1900.

The CHAIRMAN. Are there gambling places operating in Fairmont, big casinos or anything of that sort that you know of?

Mr. THOMAS. No; no gambling.

The CHAIRMAN. Oh, yes, Mayor, there has been something said that this Reliable News Service had a license as a coal dealer. Do you know anything about that?

Mr. THOMAS. I don't know about the license, but that was when they first came out there. Whether they got a license, most likely they did, but that is the name they went under, the Reliable Coal Co.

The CHAIRMAN. Did you ever see them handling any coal?

Mr. THOMAS. No; they never had no coal. Everybody took it for granted, you know, when a place opens up, wanting to know what business is going in there, and the report came out that it was a coal company. It wasn't over—

The CHAIRMAN. They paid the city license for a coal company, did they?

Mr. THOMAS. I believe they did. They could get that from the clerk. I believe they did. I wouldn't swear to it, but I think that is it. I think that is the way it was. They weren't there over a week or so, and the St. Louis newspapers and the East Side paper came out and had in there that it was a syndicate from Chicago that had come in there under their wire system.

The CHAIRMAN. Do you know this fellow Wortman or any of these people?

Mr. THOMAS. No, sir; I don't know any of those folks. I have nothing to do with those people.

The CHAIRMAN. How big a council do you have over there, Mayor?

Mr. THOMAS. Six trustees. They call me mayor, but president of the village board is really my title. We call it mayor.

The CHAIRMAN. Some of them are Democrats and some are Republicans?

Mr. THOMAS. Yes; most of them are Democrats.

The CHAIRMAN. Who is your sheriff over in that county?

Mr. THOMAS. A man by the name of Fischer.

The CHAIRMAN. Do you know whether he has done anything about these slot machines or not?

Mr. THOMAS. I seen where just a short time ago they made a raid in Dupo, I believe.

The CHAIRMAN. All right, Mayor. Are there any other questions, Mr. White and Mr. Halley?

Mr. WHITE. No.

Mr. HALLEY. No.

Mr. HOBAN. Do you want his returns?

The CHAIRMAN. We will give them back to you.

Mr. WHITE. Just one question, Mr. Mayor. Do you appoint the chief of police?

Mr. THOMAS. With the consent of the board; yes.

Mr. WHITE. Did you select Chief Vickery?

Mr. THOMAS. The way we do that, I wouldn't take it upon myself. There wouldn't be any need of my going in and appointing somebody if I didn't get approval of the board. We hold a little caucus when we decide we need a man.

Mr. WHITE. Whose candidate was it in this particular instance?

Mr. THOMAS. My candidate. I don't know if you fellows have ever been around these little places or not, but that is one of the worst things in the country right at this time is to get a policeman. I don't know. If one policeman quits, I don't know who in the devil we would get for a policeman. It is a hard matter. You take them fellows—a man who would make a fair man is making good pay, and he won't fool around with a police job all hours of the night. They can go out in 8 hours and make \$12 or \$15 a day and it is a hard matter. I sometimes tell somebody it would be shameful for me to say I can't get a policeman, but it is true, it is hard.

Mr. WHITE. You feel, then, that in view of the low rate of pay and the difficulty of getting a man, maybe it is all right if he makes a little bit on the side, something like that?

Mr. THOMAS. No; I don't think any one of the police, I don't think so.

Mr. HALLEY. How large is the police force in Fairmont?

Mr. THOMAS. We have the chief of the day police, and we have two at night. In order to make it interesting, we pay as much as most of them towns. We pay \$225 for night men, and the chief, of course, has extra work as street inspector. He has to look after that in the daytime. They get \$215 and he gets \$240. He gets \$25 more than they do. That is a fair salary. Years ago you could do good with that, but it is hard now.

The CHAIRMAN. All right, thank you, Mayor Thomas, and thank you, Mr. Hoban. Mayor Thomas, you can leave, and if we need you any more, we will call you.

Mr. HOBAN. How about the chief, Senator?

The CHAIRMAN. All right, let the chief go home, too.

You can go home, Mr. Hoban, unless you have some more clients here.

Mr. Portell, please.

Mr. Portell, do you solemnly swear the testimony you give this committee will be the whole truth and nothing but the truth, so help you God?

Mr. PORTELL. I do.

#### TESTIMONY OF WILLARD PORTELL, GRANITE CITY, ILL.

Mr. HALLEY. What is your full name?

Mr. PORTELL. Willard Portell.

The CHAIRMAN. You are big and husky, speak loud enough so we can hear you.

Mr. HALLEY. Your address?

Mr. PORTELL. 2631 Edward Street, Granite City, Ill.

Mr. HALLEY. Are you a member of the board of aldermen?

Mr. PORTELL. No, sir.

Mr. HALLEY. Were you ever?

Mr. PORTELL. No, sir.

Mr. HALLEY. Are you acquainted with the mayor?

Mr. PORTELL. Yes, I am.

Mr. HALLEY. Did you have any conversations with the mayor concerning Pioneer News Service?

Mr. PORTELL. Not that I remember. I don't think I have.

Mr. HALLEY. Did you have any conversations with Mr. Burnett concerning Pioneer News Service?

Mr. PORTELL. Some; yes.

Mr. HALLEY. What were they?

Mr. PORTELL. Just in general, nothing definite, just we knew the Pioneer News Service was supposed to be giving bookie service. That is all I knew about it.

Mr. HALLEY. Didn't you say that the mayor had given permission to Pioneer to operate?

Mr. PORTELL. Not that I remember.

Mr. HALLEY. Didn't you tell that to Mr. Burnett in the presence of witnesses?

Mr. PORTELL. Not that I remember.

Mr. HALLEY. Do you remember having a long and heated discussion with Mr. Burnett—

Mr. PORTELL. I had a lot of long and heated discussions with him, but they were more local politics more than anything else.

Mr. HALLEY. Were you campaign manager for the mayor?

Mr. PORTELL. That is right.

Mr. HALLEY. In what year?

Mr. PORTELL. When he was elected, that was a year ago last spring.

Mr. HALLEY. You hold no official job, though?

Mr. PORTELL. Not in politics; no, sir.

Mr. HALLEY. What is your work?

Mr. PORTELL. I am a pipefitter at the American Steel Foundry.

Mr. HALLEY. Do you have any job at Granite City at all?

Mr. PORTELL. No, I haven't.

Mr. HALLEY. Why did you get out of the political picture in Granite City?

Mr. PORTELL. I never did get in the political picture.

Mr. HALLEY. What is your political situation?

Mr. PORTELL. I never was in the political picture in Granite City. At one time I ran for the levee board, and that is all I had to do with politics, and in the last election I ran Davis' campaign for mayor.

Mr. HALLEY. How did you happen to manage his campaign for mayor?

Mr. PORTELL. It was more political arguments than anything else. It started out like that. Then it ended up that a bunch of young fellows back from the service thought we could put a mayor in.

Mr. HALLEY. You ran on a reform ticket, didn't you?

Mr. PORTELL. That is right.

Mr. HALLEY. The previous mayor was Moerlein?

Mr. PORTELL. Charles Moerlein; yes, sir.

Mr. HALLEY. Was he supposed to be playing ball with the gamblers and racketeers?

Mr. PORTELL. I wouldn't know.

Mr. HALLEY. Wasn't that one of the issues in the campaign?

Mr. PORTELL. There was no issue like that.

Mr. HALLEY. There wasn't?

The CHAIRMAN. Mr. Portell, what were you trying to reform? You had a reform ticket. What were you trying to clean up or reform and make better?

Mr. PORTELL. The whole thing was, he was arguing with the aldermen, and it came before the newspapers, if you will check the newspaper, and for that reason the people were down on him more because of his personality than because of his ability. He was a very fine mayor.

Mr. HALLEY. Weren't they really arguing about the fact that the gamblers were allowed to operate wide open in Granite City, bookies were functioning?

Mr. PORTELL. You heard that talk on the street, but——

Mr. HALLEY. You are under oath here, and you are not personally involved, and I hope you are not considering being foolish.

Mr. PORTELL. I am not.

Mr. HALLEY. At the moment you say something under oath that isn't entirely accurate, then you become personally involved. What were you trying to reform, as Senator Kefauver just asked you?

Mr. PORTELL. The issues of the campaign were just that we were touting our man. We thought we had a wonderful man. He was back from the service. It was more running two personalities than two candidates. This is a funny political picture.

Mr. HALLEY. What was the issue that you were reforming? Cleaning up the town, wasn't it?

Mr. PORTELL. If you will recall, they had arguments on the council floor concerning gambling, and we never did take a part in it. In fact, I never attended a council only about three or four council meetings in my life before the election.

Mr. HALLEY. And the idea was that this gambling would all be cleared up under Mayor Davis, wasn't it?

Mr. PORTELL. That is right.

Mr. HALLEY. Then after election you had a dispute with the mayor, didn't you?

Mr. PORTELL. I had a lot of disputes with him.

Mr. HALLEY. And you had some disputes about the gambling?

Mr. PORTELL. No; not that I recall.

Mr. HALLEY. Did you ever have a conversation with the mayor about Pioneer?

Mr. PORTELL. No, I haven't.

Mr. HALLEY. Did you ever have a good friend of yours tell you something about Pioneer?

Mr. PORTELL. The only thing I know about Pioneer is what I have read in the newspapers. That is also under oath.

Mr. HALLEY. Did you have a conversation with Burnett in his office about Pioneer?

Mr. PORTELL. Yes.

Mr. HALLEY. What was that conversation?

Mr. PORTELL. We were just talking back and forth about Pioneer News Service and that they gave service to the bookies.

Mr. HALLEY. You had four bookies in town; is that right?

Mr. PORTELL. To my knowledge, I think that is right.

Mr. HALLEY. What were they?

Mr. PORTELL. I wouldn't know for sure, I know about two, and that is about all I can say.

Mr. HALLEY. What two do you know about?

Mr. PORTELL. I know there is a place called the Rex.

Mr. HALLEY. Hughes ran that; is that right?

Mr. PORTELL. That is right.

Mr. HALLEY. Do you know Hughes?

Mr. PORTELL. Yes; I have played golf with Mr. Hughes.

Mr. HALLEY. What was the other one you know?

Mr. PORTELL. I know the one down on State Street.

Mr. HALLEY. On State Street?

Mr. PORTELL. Yes.

Mr. HALLEY. The one the lady runs?

Mr. PORTELL. Yes.

Mr. HALLEY. Mrs. Marmor?

Mr. PORTELL. Yes.

Mr. HALLEY. What other bookies do you know?

Mr. PORTELL. One across from the bank.

Mr. HALLEY. The cigar store?

Mr. PORTELL. I wouldn't know about that.

Mr. HALLEY. In a cigar store?

Mr. PORTELL. Yes; they are all supposed to be in cigar stores.

The CHAIRMAN. Is that the Edison Cigar Store across from the bank?

Mr. PORTELL. That is a place called the Edison Cigar Store.

Mr. HALLEY. That is a bookie place, isn't it?

Mr. PORTELL. Supposed to be; yes, sir.

Mr. HALLEY. Then there is that one on Madison Avenue.

Mr. PORTELL. That one I don't know a thing about. I have heard about that but I don't know a thing about that one.

Mr. HALLEY. There were these bookies running in town and they got their information from Pioneer across the river; is that right?

Mr. PORTELL. That is supposed to be right. I couldn't swear to anything like that.

Mr. HALLEY. You were in Burnett's office just about not quite a year ago discussing it.

Mr. PORTELL. That is right. We have discussed things like that lots of times, but it is more shooting the bull.

Mr. HALLEY. What discussion did you have?

Mr. PORTELL. As far as I can remember, he was talking about the service, and he didn't know a thing about the service, and he asked me if I knew anything about when the bookies got it and I told him I didn't know.

Mr. HALLEY. Let's get a little more precise. Didn't you tell him that you knew that Pioneer telephoned to get permission from the mayor to run the service to these bookies?

Mr. PORTELL. If I said it, I don't remember it.

Mr. HALLEY. Let me try to recall your recollection. You said something about a wire recorder, that Pioneer had a wire recorder, and when they spoke to the mayor they recorded it on a wire recorder.

Mr. PORTELL. No; I believe the conversation didn't go like that. I wouldn't know that for sure. I wouldn't know anything like that.

Mr. HALLEY. If a couple of fellows heard you and said they heard you, would they be telling an untruth?

Mr. PORTELL. I would have to deny it because I don't know anything like that. I wouldn't have any way of knowing. I don't even know anybody from the Pioneer News Service.

Mr. HALLEY. Don't you know anybody close to Pioneer yourself?

Mr. PORTELL. No.

Mr. HALLEY. Don't you have any friends who are well acquainted with Pioneer's operation?

Mr. PORTELL. No; not at all.

Mr. HALLEY. None at all!

Mr. PORTELL. None at all.

Mr. HALLEY. Just what did you say to Chief Burnett?

Mr. PORTELL. I don't remember that conversation exactly. We have had a lot of them. It is more shooting the bull.

Mr. HALLEY. I am talking about one where there were a few of the aldermen around who heard you.

Mr. PORTELL. I might have said a lot of things—

Mr. HALLEY. Did you ever have a conversation about how these bookies could operate in Granite City without permission from the chief of police or the mayor?

Mr. PORTELL. At one time they were supposed to be running, and we were wondering who was giving permission. We didn't know.

Mr. HALLEY. You were wondering how it was allowed?

Mr. PORTELL. We were talking, and we discussed that lots of times.

Mr. HALLEY. Was anything done about it?

Mr. PORTELL. I think Burnett was in the room. It was in his office.

Mr. HALLEY. Didn't you once say you understood that Pioneer got permission before they put service into a bookie?

Mr. PORTELL. No; I don't remember anything like that. I don't know the precise date of this or anything like that. I don't know who was in there. We talked, I could safely say, 50 times, and there has been a lot of arguments. We have argued baseball, and we have argued politics and everything, but—

Mr. HALLEY. Let's get away from the precise date. Did not you ever hear, let's put it that way, didn't somebody tell you that Pioneer had insisted on getting direct permission from the mayor before they would allow a bookie to have wire service?

Mr. PORTELL. No.

Mr. HALLEY. Then they would know it wouldn't be pulled right out.

Mr. PORTELL. No.

Mr. HALLEY. You never heard that?

Mr. PORTELL. I never heard that.

Mr. HALLEY. You certainly never said it to anyone?

Mr. PORTELL. That is right.

Mr. HALLEY. I have no other questions, Mr. Chairman.

Mr. WHITE. Are you friendly with Mayor Davis now?

Mr. PORTELL. Yes, we are friendly at the present time.

Mr. WHITE. At one time you did have an argument?

Mr. PORTELL. We have had a lot of arguments. Every time he makes an appointment or something like that there is an argument.

The CHAIRMAN. Do you think the law is being enforced out in your town and county?

Mr. PORTELL. I think we have a very good police force and I think the law is well enforced. I really do.

The CHAIRMAN. Do you think Chief Vickery is a good police chief?

Mr. PORTELL. Burnett.

The CHAIRMAN. Chief Burnett in Granite City, yes.

Mr. PORTELL. I think he is one of the best.

The CHAIRMAN. How about your sheriff?

Mr. PORTELL. I don't know the sheriff.

The CHAIRMAN. What is his name?

Mr. PORTELL. Dallas Harrell.

(Discussion off the record.)

Mr. PORTELL. I might add that since the election I have never been officially connected with the mayor in any way.

Mr. HALLEY. I have nothing further.

The CHAIRMAN. If there are no other questions, you are excused.

Mr. PORTELL. Thank you.

The CHAIRMAN. Call Sheriff Harrell.

Sheriff, will you hold up your right hand. Do you solemnly swear the testimony you will give this committee will be the whole truth, and nothing but the truth, so help you God?

Mr. HARRELL. I do.

#### TESTIMONY OF DALLAS HARRELL, SHERIFF, MADISON COUNTY, ILL.

Mr. HALLEY. You are the sheriff of Madison County?

Mr. HARRELL. Yes, sir.

Mr. HALLEY. How long have you been sheriff?

Mr. HARRELL. Since the first Monday in December of 1946.

Mr. HALLEY. Sheriff, this is the subcommittee of the committee appointed by the United States Senate to look into crime operating in interstate commerce and using interstate means of communication in such things like bookmaking, wires, and anything else that might occur to you. What can you tell this committee about the crime situation in Madison County?

Mr. HARRELL. Is there anything specific now that you want?

Mr. HALLEY. Is the law being enforced there?

Mr. HARRELL. Well, in Madison County the sheriff has five deputies, and in the county outside of the city limits of the towns and villages for the almost 4 years that I have been sheriff there hasn't been any gambling, no bookmaking, a little crap games outside of the city limits.

Mr. HALLEY. How about slot machines?

Mr. HARRELL. There hasn't been any slot machines in Madison County, only in clubs like the Elks Club or the Eagles, the Shrine Club or something of that nature, Veterans of Foreign Wars, where it is just for the membership only, since 1938.

Mr. HALLEY. Are there slot machines in the taverns?

Mr. HARRELL. No, I just said there hadn't been any since 1938. I will qualify that statement in this way: During my tenure of office I have picked up, I believe, six that I got a tip on their being in some tavern. I have gotten six, as I recall. There were more than that picked up, but they weren't operating. There was a truck came into

the city of Alton. It had a bunch of slot machines on it. In a building where this truck was parked they found some more. These were found by the city police of Alton and they were turned over to my office. I think the number was 41. They were destroyed by me at the county jail after the State's attorney gave us the authority to go ahead and destroy them.

Mr. HALLEY. What is the situation in the city? I think you were confining yourself to the situation outside of the towns and cities.

Mr. HARRELL. Well, there has been bookmaking and crap games in several of the cities in Madison County. I know that because the State's attorney, both Mr. Burton, who was State's attorney when I first went there, and Mr. Lewis, who is State's attorney at the present time, furnished me with information warrants, and we brought them in to court and they were fined, and they paid their fines. So I know that there was. I have never been in a bookmaking joint in my life. I will take that back, I did raid the 200 Club at one time. That was the city of Madison. That came about in this way: The State's attorney, the sheriff, and myself had the idea to let the towns run their own business because of the lack of law enforcement officials in my office. If at any time law enforcement got out of hand we said we would interfere. It has been just a little better than a year ago that the State's attorney's house and the 200 Club were both shot up one night, and the newspapers over there at Granite City gave quite a report on it and some comment. He received a telephone call not to print anything any further about the 200 Club. The editor told me about that, and I went over there with two of my deputies one night and closed the 200 Club. That is the only time.

The CHAIRMAN. That is one time in 4 years?

Mr. HARRELL. That I have gone in. On two other occasions—it was really one occasion but it involved two places—there was—I am not positive about one of them because I never did get down to that one. I went down to one place because I was furnished a warrant by the State's attorney after the 200 Club, as I recall it, was closed and then there were two places which sprang up in the city of Collinsville. The State's attorney gave me warrants for both of those places. I went down to one of them and closed it. While I was there one of the fellows who was operating this place said that the other place was closed but that he could get him on the telephone for me. He called him at a number, as I recall, in St. Louis. I told him to fold his place up.

That is three times that I closed any gambling place.

Mr. WHITE. Was that a bingo game in Collinsville?

Mr. HARRELL. I closed that bingo game, too. That was out at the park.

Mr. HALLEY. Did the 200 Club stay closed or did it open again?

Mr. HARRELL. It opened again, I would say, in the neighborhood of 2 or 3 months after that.

Mr. HALLEY. Has it stayed open?

Mr. HARRELL. They have been up and down, as I recall it.

Mr. HALLEY. What did you find when you raided the 200 Club?

Mr. HARRELL. There were a number of people in the building, and they had a crap game going there. This was about, I would say, at 9 o'clock at night. As I recall it, there was a blackjack table there.

There wasn't any booking going on at that time. This was at night, you see.

The CHAIRMAN. Sheriff, as I get you, in the cities over there in the corporate limits, you don't do anything about it unless you feel that the general law has broken down; is that the idea?

Mr. HARRELL. That is right.

The CHAIRMAN. You feel that is beyond the jurisdiction of the sheriff. Do you think that is a good excuse?

Mr. HARRELL. I am not making it for an excuse. I am merely telling you what the policy was.

The CHAIRMAN. Who set the policy?

Mr. HARRELL. I don't know that there was any particular policy set. Whenever the State's attorney would give me information warrants and they would come in and they were taken before the county court and fined.

Mr. WHITE. When you served those warrants, Sheriff, did you seize the gambling joint and break up the premises and so forth?

Mr. HARRELL. No, we didn't.

Mr. WHITE. What did you do?

Mr. HARRELL. I am not going to be able to answer that of my own knowledge because all of these warrants were served by my deputies. So I don't know whether they were served on them directly or whether they were called up and told or what. I never served any one of them myself.

Mr. WHITE. Is the Hyde Park Club in your territory, Sheriff?

Mr. HARRELL. Yes.

Mr. WHITE. What would you consider to be the breakdown of local law enforcement with respect to local gambling laws?

Mr. HARRELL. You say with respect to the gambling laws. I didn't say anything about that. I said law enforcement. Whenever the people of the city in which these places were operating or the local newspapers or anybody in the county of Madison, enough of them thought the law enforcement had broken down, although frankly nobody told me to go and raid the 200 Club that time, I felt it was when they could call up an editor and threaten him.

Mr. HALLEY. What year was that, Mr. Harrell?

Mr. HARRELL. As I recall it, it was during the summer months of last year.

Mr. HALLEY. What was your business before you became sheriff?

Mr. HARRELL. I worked for the Illinois revenue department.

Mr. HALLEY. In what capacity?

Mr. HARRELL. As an investigator in the sales tax division.

Mr. HALLEY. For how long did you work at that?

Mr. HARRELL. I was with them from some time in 1943 until I took office as sheriff in December of 1946.

Mr. HALLEY. What did you do before 1943?

Mr. HARRELL. Operated a gasoline service station for about 17 years.

Mr. HALLEY. What did you do with the station in 1943?

Mr. HARRELL. What did I do with the station in 1943?

Mr. HALLEY. Yes.

Mr. HARRELL. I sold gasoline.

Mr. HALLEY. I mean did you sell the station?

Mr. HARRELL. Oh, well, the stations that I had—I never did own any of them. They were all stations leased from various companies.

Most of them was the Milton Oil Co., the biggest part of that time, although I operated a Texaco station for about 5 years.

Mr. HALLEY. Did you just give up the stations?

Mr. HARRELL. Yes.

Mr. HALLEY. What did you have, a job at the gas station?

Mr. HARRELL. I had the station leased.

Mr. HALLEY. You were the lessee. Did you sell the lease or did it simply expire?

Mr. HARRELL. When I quit, somebody else takes it over.

Mr. HALLEY. You just quit.

Mr. HARRELL. Yes.

Mr. HALLEY. Then you worked for 3 years for the State of Illinois?

Mr. HARRELL. Approximately 3 years.

Mr. HALLEY. What was your salary while you worked for the State?

Mr. HARRELL. Well, it started in at \$210 a month, and when I left it was \$275.

Mr. HALLEY. What is your salary as sheriff?

Mr. HARRELL. \$4,000 a year.

Mr. HALLEY. The committee has been told that you own a rather elaborate home. Is that so?

Mr. HARRELL. Well, that depends upon a matter of opinion. Back in 1939 I bought an acre of ground out in the country and built a cabin or a clubhouse or whatever you want to call it. It was a building that my father-in-law had used as a blacksmith shop. I tore that building down and built this cabin out there. Then later on I bought two more acres—

Mr. HALLEY. When did you buy the additional acres?

Mr. HARRELL. That was in 1946 or 1947.

Mr. HALLEY. After you had become sheriff?

Mr. HARRELL. Yes. So that would have been 1947. Let's see what time of year it was. Yes, that would have been in 1947. Then later on the boy, my son, tore the building down and started to build a house for himself right across the cove from where the original building was. Then I built a building there 44 feet long and 26 feet wide, all under one roof, which I used for myself and my family to go out there. It is about 3½ miles from Edwardsville.

Mr. HALLEY. In the meantime you had your home in Edwardsville?

Mr. HARRELL. No, I lived in the sheriff's quarters.

Mr. HALLEY. Do you get free quarters?

Mr. HARRELL. That is right.

Mr. HALLEY. In other words, you have a salary of \$4,000 a year plus free quarters.

Mr. HARRELL. And telephone, lights, gas, heat.

Mr. HALLEY. And an automobile?

Mr. HARRELL. Well, not strictly speaking. They have three automobiles that are equipped with radio, and we operate two of those at night. The third one is for—it is a swing car. If something should happen to either one of the others, you would have this other one there to use. When it is not in use I sometimes drive that other one, but I have a car of my own.

The CHAIRMAN. Sheriff, how much do you have in this property you are talking about out on the lake?

Mr. HARRELL. How much have I got?

The CHAIRMAN. How much do you have invested in it.

Mr. HARRELL. You mean me personally?

The CHAIRMAN. Yes, that is right; your investment in the property.

Mr. HARRELL. My investment isn't too much in it. I wouldn't be able to say offhand because I don't know. My wife has some money in the property. It is in her name. The first original acre—

The CHAIRMAN. What is the total investment, yours and hers?

Mr. HARRELL. The total investment out there would be in the neighborhood I should judge, offhand, of \$10,000 or \$12,000.

The CHAIRMAN. You mean that is the cost of the house, the building that you built, plus the acreage?

Mr. HARRELL. Yes, I think that would cover it all.

Mr. WHITE. Do you have your tax returns with you, Sheriff?

Mr. HARRELL. Yes [producing documents].

Mr. HALLEY. Sheriff, may we just take those returns and get them back to you within about 10 days? Will that be all right?

Mr. HARRELL. I see no reason why it wouldn't. I don't know. I don't want to lose them.

Mr. HALLEY. You bet you don't, and I understand that.

Mr. HARRELL. Would I be given a receipt for them in case anybody from the internal revenue comes around?

Mr. WHITE. I will give you a receipt on your subpoena.

The CHAIRMAN. All right, are there any other questions? Thank you, Sheriff Harrell. You are excused.

Mr. HARRELL. Thank you.

You can determine this if you care to. It is something that won't show in there. A mortgage that I have on that place. Do you care to know anything about that?

Mr. WHITE. You might mention to me what it is.

Mr. HARRELL. The original mortgage is for \$5,000 to the national bank. I think my wife told me the other day that that had been paid down to \$3,700, but the checks and everything will show that. That takes the checks up to the 1st of July, you see.

Mr. WHITE. Thank you very much, Sheriff.

(Witness excused.)

The CHAIRMAN. Call Joseph Giardano.

Mr. Giardano, will you hold up your right hand and swear that the testimony you give this committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. GIARDANO. I do.

#### TESTIMONY OF JOSEPH GIARDANO, ST. LOUIS, MO.

Mr. WHITE. Sit down, Mr. Giardano. How old are you, please?

Mr. GIARDANO. Fifty.

Mr. WHITE. Your address?

Mr. GIARDANO. 4104 Begg Street.

Mr. WHITE. St. Louis?

Mr. GIARDANO. Yes, sir.

Mr. WHITE. Do you have any brothers?

Mr. GIARDANO. Yes, sir.

Mr. WHITE. How many?

Mr. GIARDANO. Two.

Mr. WHITE. What are their names?

Mr. GIARDANO. Anthony and Sam.

Mr. WHITE. How old is Anthony?

Mr. GIARDANO. He is the youngest.

Mr. WHITE. How old is he?

Mr. GIARDANO. I would say about 35.

Mr. WHITE. How old is the other brother?

Mr. GIARDANO. About 42 or 43.

Mr. WHITE. What do you do for a living, Mr. Giardano?

The CHAIRMAN. Mr. Giardano, he has to hear what you say.

Mr. GIARDANO. I have been sick. I have been laid up with my heart for about 4 months and a half.

Mr. WHITE. You have a tavern?

Mr. GIARDANO. At Sixth and Market; 525 Market Street.

Mr. WHITE. What is the worth of that tavern, Mr. Giardano?

Mr. GIARDANO. You mean what I got in it?

Mr. WHITE. How much is the tavern worth, what could you sell it for?

Mr. GIARDANO. What I could sell it for? I don't know, maybe \$15,000, \$16,000, \$17,000.

Mr. WHITE. Do you have any partners in it?

Mr. GIARDANO. No. It belongs to my wife.

Mr. WHITE. Where did you acquire the money with which to buy the tavern?

Mr. GIARDANO. I have been in business for the last 4 years.

Mr. WHITE. For the last what?

Mr. GIARDANO. For the last 4 years. I have had a tavern on the Natural Bridge, 4104 Natural Bridge. I was there about 7 months. Then from there—

Mr. WHITE. You started in the tavern business about 4 months ago?

Mr. GIARDANO. No, no, 4 years ago, a little over 4 years.

Mr. WHITE. What was your original investment there?

Mr. GIARDANO. There it was I think around \$6,500, \$6,000, something like that.

Mr. WHITE. Hasn't the saloon business depreciated rather than improved?

Mr. GIARDANO. I guess I made more than that.

Mr. WHITE. Have you ever been arrested?

Mr. GIARDANO. Yes, sir.

Mr. WHITE. For what?

Mr. GIARDANO. Suspect, but I haven't since I have been in business.

Mr. WHITE. Have you ever been convicted of anything?

Mr. GIARDANO. Yes, sir.

Mr. WHITE. What was that?

Mr. GIARDANO. I was across the river, for robbery.

Mr. WHITE. How much time did you do?

Mr. GIARDANO. I did around almost 8 years.

Mr. WHITE. Where did you do it?

Mr. GIARDANO. In Chester, Ill.

Mr. WHITE. When did you fall? What was the year that you were arrested?

Mr. GIARDANO. I believe it was around 1928.

Mr. WHITE. Then you got out about—

Mr. GIARDANO. I have been out around 11 years.

Mr. WHITE. When did you get out?

Mr. GIARDANO. Around 1936 or 1937.

Mr. WHITE. About 11 years you have been out?

Mr. GIARDANO. Yes, sir.

Mr. WHITE. You didn't get out until 1939 then.

Mr. GIARDANO. Yes.

Mr. WHITE. You must have done more time; you must have done around 11 years.

Mr. GIARDANO. Eight years; something like that.

Mr. WHITE. Did you have more than one conviction?

Mr. GIARDANO. That is all.

Mr. WHITE. You have been out about 11 years.

Mr. GIARDANO. I would say around 11 or 12 years.

Mr. WHITE. Did you have any money when you got out of jail?

Mr. GIARDANO. I had a few dollars.

Mr. WHITE. Where did you get your original investment to go into the tavern business?

Mr. GIARDANO. I started, I went to work, I was working at Luciana, Mo., and I worked at the small-arms plant. I saved my money. I was making around \$18 or \$20 a day as steam fitter.

Mr. WHITE. Are you married?

Mr. GIARDANO. Yes, sir.

Mr. WHITE. Children?

Mr. GIARDANO. Yes, sir.

Mr. WHITE. How many?

Mr. GIARDANO. Two.

Mr. WHITE. Where were you born?

Mr. GIARDANO. St. Louis.

Mr. WHITE. Were both your brothers born in St. Louis too?

Mr. GIARDANO. Yes, sir.

Mr. WHITE. Did you ever hear of an organization known as the Mafia?

Mr. GIARDANO. No, sir.

Mr. WHITE. You never heard of it?

Mr. GIARDANO. No, sir. I read of it in the papers.

Mr. WHITE. Did you ever hear of the Greenies?

Mr. GIARDANO. According to the newspapers.

Mr. WHITE. Did you ever hear of them aside from the newspapers?

Mr. GIARDANO. I heard of them just reading the newspapers, knowing they call them Greenies.

Mr. WHITE. Did you ever know a man named Tom Buffa?

Mr. GIARDANO. No, sir. Tom Buffa?

Mr. WHITE. Yes.

Mr. GIARDANO. He was a neighbor of us. I live on Eighth and Begg, lived there almost 20 years. We used to live there. 1129 North Begg Street.

Mr. WHITE. Did you know him well?

Mr. GIARDANO. No; not well, just to see him.

Mr. WHITE. Did you ever have any business with him?

Mr. GIARDANO. No, sir.

Mr. WHITE. Do you know a man named John Vitale?

Mr. GIARDANO. Yes; I know him. Raised around the neighborhood.

Mr. WHITE. Hangs around the neighborhood?

Mr. GIARDANO. I say he was raised around the neighborhood.

Mr. WHITE. What does Vitale do for a living?

Mr. GIARDANO. I don't know.

Mr. WHITE. What do your brothers do for a living?

Mr. GIARDANO. Tony is in juke-box business.

Mr. WHITE. Aren't you connected with that juke-box business too?

Mr. GIARDANO. No.

Mr. WHITE. Is that what they call the Anthony Amusement Co.?

Mr. GIARDANO. Yes, sir.

Mr. WHITE. Is it named after his first name, Anthony?

Mr. GIARDANO. Yes, sir.

Mr. WHITE. What partners does he have in that?

Mr. GIARDANO. I don't know. There are supposed to be two or three partners.

Mr. WHITE. Who are they supposed to be?

Mr. GIARDANO. I think Tony Lopipelo.

Mr. WHITE. And who is the other?

Mr. GIARDANO. And I believe Spinelli.

Mr. WHITE. Spinelli? John Spinelli?

Mr. GIARDANO. No. Spinelli is all I know.

Mr. WHITE. Who else?

Mr. GIARDANO. That is all.

Mr. WHITE. Does Vitale have a piece of that juke-box business?

Mr. GIARDANO. Not that I know of.

Mr. WHITE. Does Buster Wortman or the Wortman family have any connection with it?

Mr. GIARDANO. I don't know.

Mr. WHITE. Did you ever work for your brother in the juke-box business?

Mr. GIARDANO. No, sir.

Mr. WHITE. Did you ever use your influence to place any of these machines in any location?

Mr. GIARDANO. No, sir.

Mr. WHITE. Where is your brother now, by the way?

Mr. GIARDANO. I don't know. Sometimes I don't see him for a month.

Mr. WHITE. When did you see him the last time?

Mr. GIARDANO. The last time I seen him was about 3 weeks ago. You see I am down at that tavern, a night club there, and I have been going down there late in the last 2 months because I was laid up in bed for 4 months.

Mr. WHITE. Do the police come around and ask you where your brother is?

Mr. GIARDANO. No, sir.

Mr. WHITE. Does anybody ever ask you where your brother was in the last 5 days aside from myself?

Mr. GIARDANO. No, sir.

Mr. WHITE. If they had asked you you wouldn't know where he was?

Mr. GIARDANO. That is all I know, that he is at home. I mean—just like I say I don't see him sometimes for a month. I am down at the tavern and I have a wife and kids to take care of.

The CHAIRMAN. Do you have any bookmaking in your tavern?

Mr. GIARDANO. No, sir.

The CHAIRMAN. Or gambling?

Mr. GIARDANO. No, sir.

The CHAIRMAN. Do you know Mr. Molasky?

Mr. GIARDANO. No, sir.

The CHAIRMAN. Did you ever have any dealings with Pioneer News Service?

Mr. GIARDANO. No, sir.

The CHAIRMAN. Did you know Charles Binaggio in Kansas City?

Mr. GIARDANO. No, sir.

The CHAIRMAN. You never saw him?

Mr. GIARDANO. No, sir.

The CHAIRMAN. Or Gargotta?

Mr. GIARDANO. No.

The CHAIRMAN. Have you ever been out to Kansas City?

Mr. GIARDANO. I was in Kansas City when my brother was there when I came out, to see my brother.

The CHAIRMAN. Do you know Buster Wortman?

Mr. GIARDANO. No, sir.

The CHAIRMAN. You never saw him?

Mr. GIARDANO. No, sir.

The CHAIRMAN. Did you ever work for any of these bookies around here?

Mr. GIARDANO. No, sir. I don't know anything about bookies. I am telling you the truth, I don't.

The CHAIRMAN. You have been investigated for morphine handling?

Mr. GIARDANO. Sir?

The CHAIRMAN. Did the morphine agents investigate you?

Mr. GIARDANO. No, sir.

Mr. WHITE. Have you ever been picked up in connection with a narcotics charge?

Mr. GIARDANO. No, sir; never.

Mr. WHITE. Your brother served time on narcotics, didn't he?

Mr. GIARDANO. Yes, sir.

Mr. WHITE. But you never have?

Mr. GIARDANO. That is correct.

The CHAIRMAN. Which brother served time?

Mr. GIARDANO. Sam.

The CHAIRMAN. Where is he now?

Mr. GIARDANO. He is home, working. He has been working. He is sick.

The CHAIRMAN. What does he do?

Mr. GIARDANO. I don't know what he is doing now.

Mr. WHITE. Does he have any visible means of support?

Mr. GIARDANO. Does he have what?

Mr. WHITE. Does he work?

Mr. GIARDANO. He has been working.

The CHAIRMAN. All right. That is all for you. Thank you. You are excused.

Call Mr. John Mohler.

Mr. Mohler, will you be sworn? Do you solemnly swear the testimony you will give this committee will be the whole truth and nothing but the truth, so help you God?

Mr. MOHLER. I do.

**TESTIMONY OF JOHN MOHLER, GENERAL ATTORNEY FOR MISSOURI, SOUTHWESTERN BELL TELEPHONE CO.**

Mr. WHITE. What are you with the telephone company?

Mr. MOHLER. I am the general attorney for Missouri. That is the Southwestern Bell Telephone Co.

Mr. WHITE. Mr. Mohler, you and I have had a number of conversations in the past few weeks concerning the relationship or the business of the telephone company with various suspected gamblers—

Mr. MOHLER. Yes.

Mr. WHITE. The Pioneer News Service, and so on. Can you tell us about an episode which occurred approximately a year ago in which there was a disconnection of telephone service to the Pioneer Co. and wherein one Beverly Brown had some conversations with officials of the telephone company in connection with a telegram?

Mr. MOHLER. Yes, Colonel. You recall that my recollection was rather vague, and I asked you to tell me what you knew about it in order to refresh my recollection so far as possible, and I have done so. I had supposed that Mr. Nouss, who is still away, unfortunately, but who is expected back shortly—he was delayed, by the way, in returning from his vacation because of illness—my recollection is this: That Beverly Brown came in to the office to see Mr. Nouss. I don't believe that I was in Mr. Nouss' office at any time that Mr. Brown was in there, and to that extent my information may be hearsay. I don't know that this committee is interested in any technical distinctions at all.

Mr. WHITE. Just information.

Mr. MOHLER. Mr. Brown had a telegram which I believe I saw, and, if my recollection is correct, it was signed American Telephone & Telegraph Co., which led us to believe that that was not an authentic telegram from the American Telephone & Telegraph Co. We would expect under all circumstances that any communication from the American Telephone & Telegraph Co. would be signed by the name of the person sending it and his title with the company. That telegram was directed to Bev Brown, and it was to the general effect that he would be well advised to get in touch with Mr. So and So, whose name I do not remember, representing the American Telephone & Telegraph Co., who would be at the Coronado Hotel the following day or soon.

I told you, Colonel, at the time of our discussion about that telegram that our belief at the time had been that Beverly Brown, who knew Henry Nouss, and had known him for a great many years, was undertaking to indicate to Henry Nouss that, if he pursued his resolution to take out the Pioneer telephone at that time, he might be in trouble with the American Telephone & Telegraph Co., which of course is the owner of the Southwestern Bell Telephone Co.

Nouss paid no attention to that, and neither did I. We can't be at all certain that the purpose of Mr. Brown's display of that telegram was

in an effort to influence Nouss to take a course contrary to the course that he would otherwise take.

I have since been advised and, as a matter of fact, I think that, during the trial of the Pioneer case, the hearings in the Pioneer case before Judge Nangle, that Bev Brown and Morris Shenker, his lawyer, advised me that this man at the Coronado Hotel, whom they had got in contact with, had indicated to them that for a certain consideration or for some consideration he could obtain for them 18 or 20 or two dozen or I don't know how many telephones for them. Shenker told me recently, refreshed my recollection of what he had told me at the time, that this man was a con man who was trying to get money from Bev Brown on the representation that he could get telephone service for him. I think that Morris Shenker told me that he got this man into his office. At any rate, he had seen him either at the Coronado Hotel or at his office, and his belief was that Brown had been convinced that he was a representative of the American Telephone & Telegraph Co. and that Brown would have been taken, strange to say, by a con man if Shenker had not intervened.

Mr. WHITE. That was at variance from the original impression that you received, that it was intended to make an impression on Mr. Nouss in order to affect his judgment.

Mr. MOHLER. That was our first impression.

Mr. WHITE. Mr. Shenker explained it entirely differently.

Mr. MOHLER. I don't know. My recollection is that over in Judge Nangle's courtroom there was some considerable discussion about that telegram between Brown and Nouss and Shenker and perhaps Mr. Molasky. I think he was present in the courtroom that day. Nouss I am sure tells me that I met Molasky in the hearing room during the course of that trial, and I seem to have a recollection of that, but I was busy representing the company's position in that trial at the time, and I am not sure that I paid too much attention to it, but if you want the impression that I now have, I would think that the explanation that was given by Shenker is correct.

Mr. WHITE. That was just one point we wanted to determine, Mr. Mohler.

Another thing that we would like to have your comment upon, if you feel you are able to, is that during the course of our inquiry here we have received some not exactly complaints but comments from the law-enforcement agencies to the effect that they didn't feel the telephone company was sympathetic to their efforts and that in fact the telephone company might be presumed to be more sympathetic to the law violators.

Do you have any comment on that?

Mr. MOHLER. I think any suggestion of want of cooperation is unfair. I have heard those reports myself, Colonel, and I presume we are talking about the same ones. I have heard that Captain Wren or Lieutenant Wren, Joe Wren as we call him around here, has criticized the cooperation that he was getting from this telephone company back in New Jersey.

Mr. WHITE. Wren is the head of the gambling squad, I think.

Mr. MOHLER. That is my understanding of it, too. I don't know him. I would regard that charge as entirely unwarranted. I don't believe that charge would be confirmed by the chief of police or the

chief of detectives here in the city of St. Louis. I don't know what they would say, but I don't believe that to be true.

The CHAIRMAN. Mr. Mohler, let me ask this. In some places operating in this section the wire service, the Western Union wire service, seems to have been cut off. So they are now using the telephone service to get their bookie information.

Mr. MOHLER. You are speaking of the disconnection of the Western Union tickers late last week?

The CHAIRMAN. Yes; that is right.

Mr. MOHLER. I presume they are doing that. Senator, if they are still in operation. I don't know about that. That could only be done by making a standard toll call, a long-distance call such as you might make if you would go to any telephone here in town. If they are doing that we haven't picked it up yet.

The CHAIRMAN. For instance, some place across the river where Mr. Carroll does some operation, Mr. Mooney's place—

Mr. MOHLER. I am not familiar with those places, but go ahead.

The CHAIRMAN. I am just telling you an example.

Mr. MOHLER. All right.

The CHAIRMAN. They have a large operation with 25 or 26 people working there, and the Western Union ticker has been cut off and they are now using telephones. They have quite a number of telephones. What would be required to get action on the part of the phone company to disconnect that service?

Mr. MOHLER. Senator, as a part of our filed tariffs both before the Federal Communications Commission, as you no doubt know, and before the Missouri Public Service Commission, we have represented that we would disconnect telephone service upon notice from any law-enforcement officer that our service was being used for illegal purposes, and, as you well know, that was the origin of our disconnection of the Pioneer News telephones in 1947, when we had notice by telegram from the Governor and attorney general of the State of Missouri that our service was being illegally used by Pioneer News.

The CHAIRMAN. They are still using telephone service.

Mr. MOHLER. That is under an injunction of the Circuit Court of St. Louis. That injunction was, we might say, appealed. Are you a lawyer, Senator? I am sorry I don't know.

The CHAIRMAN. I was before I got into politics, Mr. Mohler.

Mr. MOHLER. I don't know that I have ever claimed to be a lawyer, but when Judge Nangle issued an injunction in the Circuit Court of St. Louis, that was taken to the Supreme Court of Missouri by the attorney general on a writ of prohibition to prohibit the circuit judge from acting further. The result of that was an opinion and judgment of the Supreme Court of Missouri prohibiting Judge Nangle from proceeding further. The mandate of that court has never come down to the Circuit Court of the City of St. Louis and has been stayed by the Supreme Court of Missouri to allow an appeal or an application for a writ of certiorari to the Supreme Court of the United States. The mandate is still stayed, so as far as I know, and my judgment as a lawyer may be bad on this, but so far as I know, that injunction is still in effect.

The CHAIRMAN. All right, sir.

I believe that is all unless you have some questions.

Mr. WHITE. One other question, Mr. Mohler. You are acquainted with a fellow by the name of Louis "Red" Smith?

Mr. MOHLER. Yes; I am.

Mr. WHITE. In your acquaintance with him have you ever been given any reason to believe that he was connected with the Pioneer News Service in any way?

Mr. MOHLER. I have never been given any reason to believe that he was connected with them as an employee or as having any financial stake in that business. He has talked to me concerning certain of the affairs of the Pioneer News Service from time to time, and he has told me that his interest was a purely personal interest because of a friendship with Bev Brown.

Mr. WHITE. To some extent he did act as a representative of the Pioneer in discussing business matters between the Pioneer Co. and the telephone company.

Mr. MOHLER. He has talked to me about the business of Pioneer as it related to the telephone service; yes.

Mr. WHITE. Did he ever also talk to you about the business between the telephone company and the Hyde Park Club?

Mr. MOHLER. Yes; he did at one time. He gave as his explanation the same reason. He said that—is there a John Connors over there, or John Connor?

Mr. WHITE. Yes.

Mr. MOHLER. I don't know the man at the Hyde Park Club. He told me that both he and Bev Brown had befriended him at a time when friendship meant something to him.

Mr. WHITE. At any rate, in at least two instances he did seem to be sufficiently acquainted with the operations of Pioneer and Hyde Park so that he could undertake to transact business for them.

Mr. MOHLER. Yes.

Mr. WHITE. As I recall, on one occasion when the telephone company was somewhat worried about the use their phones were being put to in the Hyde Park Club, he undertook to make an investigation of some kind.

Mr. MOHLER. Yes; we called him about that.

Mr. WHITE. Didn't he then at a later date say on his own authority or responsibility or something of that sort it would be all right to take certain steps with regard to this telephone service?

Mr. MOHLER. In order to make this clear, Colonel, I think I had better tell a little story on that. It won't take long.

We had called him about taking a couple of telephones out up at the Hyde Park Club. My recollection is that, although my understanding is they were large operators, they had only four telephone lines into that place, and the Attorney General of Illinois had talked to us about their operations there. We were a little skeptical about whether our telephones were being used illegally or not. We got in touch with Smith and asked him to find out about that. He told us he didn't know much about it, but it was his friend who ran that club and he would go see him and report back to us. We had made the suggestion that we would like to take two of those out of there. He came back and reported to us that no bets were made over those telephones, and no employee would be allowed to remain in the employment of the club if he accepted a bet over the telephone. We don't like to observe on customers' telephone lines, but we still were

a little skeptical and asked if it would be all right with the Hyde Park Club for us to make observations on those lines to determine if bets were being made over them, and he then said that as a result of what he had been told over there, he would accept it on his own responsibility for us to make those observations.

Mr. WHITE. Mr. Mohler, during that observation, did you determine whether or not any racing information was coming in to the Hyde Park Club from any other place?

Mr. MOHLER. Colonel, I didn't make those observations, and I have never understood that there was any information concerning races coming in. The fact was at that time they didn't want the two telephones removed that we would have liked to take out because it was shortly before New Year's and at New Year's bowl football games are played. They told us they needed those telephones for the purpose of obtaining information coming from all over the country respecting the various football teams who were competing in the bowl games. That was not race-horse information. I don't know what our observers might have found on that, but the observers that we had on there with their consent reported to us that there were no bets being made over the telephone.

The CHAIRMAN. Mr. Mohler, I told the press if they would come at 5:30 we would take them.

Mr. WHITE. I think we have finished.

The CHAIRMAN. Any questions?

Mr. HALLEY. No.

The CHAIRMAN. Thank you very much, Mr. Mohler.

Mr. MOHLER. Thank you.

The CHAIRMAN. The committee will be in recess until 6:30 this evening.

(Whereupon, at 5:35 p. m. the committee recessed until 6:30 p. m. the same day.)

#### EVENING SESSION

(Whereupon, at 6:30 p. m., the committee reconvened, pursuant to the taking of the afternoon recess.)

The CHAIRMAN. The committee will come to order.

Call Mayor Connor, please.

Mr. COSTELLO. This is Mayor Connor, Senator. My name is Costello.

The CHAIRMAN. I am glad to see you. You are the attorney?

We are sorry we have had such a long day here, Mayor, but you wanted to come to town anyway, did you not? You always like to come over to St. Louis, do you not?

Mayor Connor, do you solemnly swear that the testimony you will give before the committee will be the whole truth and nothing but the truth, so help you God?

Mr. CONNOR. I do.

#### TESTIMONY OF JOHN T. CONNOR, MAYOR, EAST ST. LOUIS, ILL., ACCOMPANIED BY R. E. COSTELLO, OF CRAMER, CAMPBELL, COSTELLO & WIECHERT, EAST ST. LOUIS, ILL.

Mr. HALLEY. You are mayor of East St. Louis?

Mr. CONNOR. Yes, sir.

Mr. HALLEY. How long have you been mayor?

Mr. CONNOR. Going on 12 years.

Mr. HALLEY. Mayor, you know in general that this committee has been interested in law enforcement as connected with crimes involving interstate transactions, and naturally bookmaking is one such crime. Could you tell the committee about the situation in East St. Louis with reference to bookmaking?

Mr. CONNOR. For the last several years it has practically been cleaned up. We have a few places that we call sneak books. They are not operating regularly. That has been going on now for several years.

Mr. WHITE. What places are those, Mr. Mayor?

Mr. CONNOR. The ones that are sneak books?

Mr. WHITE. Yes.

Mr. CONNOR. I wouldn't know offhand, Mr. White. I don't have that information. The reason I say that is that those places have come to my attention, and I have turned it over to the police department.

Mr. WHITE. Very frankly, there is no point in dissembling, that I can see. We have made a very casual inquiry in the past few days, and we have discovered the existence of specifically four or five good-sized bookmaking operations that, when visited by our investigators, did not have the appearance of being a sneak operation or a casual operation but, on the contrary, were rather elaborate, well-fitted-out places.

For example, in particular the establishment run by Mr. Carroll and Mr. Mooney at 318 Missouri Avenue, where they employed 21 persons, had a Western Union ticker, a loud-speaker, and I think 8 telephones in the place. That is one of the biggest bookmakers operating in the Middle West. According to the evidence available, that has been running without interruption for a good many years.

We are curious to know on what basis those places continue to run, and what the attitude is of the city officials and the police toward those places.

Mr. CONNOR. As far as Carroll's place, all we know about that is that he makes set-up prices.

Mr. WHITE. Makes what?

Mr. CONNOR. Prices for such as the Kentucky Derby and other events.

Mr. WHITE. How about Mr. Mooney?

The CHAIRMAN. Let us see, where is Mr. Carroll's place? You say he makes those bets. I understood he did not have any place except Mr. Mooney's.

Mr. CONNOR. I don't know Mr. Mooney and never heard of him until I read it in the paper the other day.

The CHAIRMAN. Where is Carroll's headquarters?

Mr. CONNOR. I think Carroll is supposed to be at 318 Missouri Avenue.

Mr. WHITE. Three hundred and eighteen Missouri Avenue is the place where we served a subpoena, and it would be obvious to your newest policeman that that was more than just a price-fixing establishment.

To your knowledge, has anyone ever entered those premises and made an inspection to see what was going on there?

Mr. CONNOR. No, sir.

The CHAIRMAN. The evidence, Mr. Mayor, about Mooney's place, out of which Carroll operates, is that they have a big board where they

write the results of races, just like a stock exchange, with a Western Union ticker, a whole battery of telephones, and 21 people employed in one office, and I think the evidence was 5 or 6 in an adjacent office. They call in bets from all over the United States and place them there.

Mr. HALLEY. Over \$10,000 worth a day.

The CHAIRMAN. I think the closest estimate was \$16,000 to \$20,000 a day. Then, that people even banked with the outfit, that is, they leave a deposit of money and bet against their deposit. It is a very sizable and systematic operation.

I do not know where Mr. Carroll fixes his odds. I suppose he does it in that office there, but the testimony we had was that that is a very large and substantial, as Mr. White said, one of the biggest operations in the Midwest.

Mr. CONNOR. Personally, I wouldn't know. I never was in the place and had no occasion to go in there. The only thing, as I said before, all I do know about it is what I read in the newspapers, especially around the Kentucky Derby, that he set up certain prices on different horses.

Mr. WHITE. To continue, then, during this same 1-day period, this very casual inquiry of ours, which was directed not at finding bookmakers, but at subpenaing people whom we believed to be connected with bookmaking operations, developed in that one block on Missouri Avenue, at least between the 300 and 400 block, there were four places operating. One place was Goldberg, directly across the street from 318, Charles Goldberg, I believe the name is. There was no door or any other impediment to the entrance of a patron of the saloon or to a policeman who might happen to stroll in. There was a Western Union ticker operating in there, and a board with a place for the results to be posted. There was a number of tables and chairs where presumably the patrons would sit and drink while they were making bets on the races. In other words, there is no question in our minds, from a most casual inquiry, that bookmaking is practically unmolested in the city of East St. Louis.

I think we must be further frank enough to say that we again having been here a very short time, we have been bombarded from all sides with stories and allegations that the reason bookmaking flourishes there is because it is protected by the city officials.

We are curious to know whether or not that is true. We have been been trying very hard to get Mr. English, the police commissioner, to appear before us, because we thought he would be the one responsible official who could give us some factual information; but Mr. English has obviously evaded service of this committee's subpena and does not desire to appear here. I make that statement without any qualifications. He is evading service. That, of course, supports my suspicion that these allegations might be true.

Mr. CONNOR. The reason I say about some of these sneak books, I know here several years ago we closed what we termed "the major books" over there, and these places hop up today and are probably knocked off tomorrow, and then they come back up again.

Gentlemen, we have a police force over there of only 60 men, and they are on three 8-hour shifts. We haven't got the finances. We need 80 men, according to our population figures.

Mr. WHITE. Did you ever call for assistance from the sheriff or the State police in suppressing any of these gambling operations?

Mr. CONNOR. You see, we have the commission form of government over there. I am only one of five. I am mayor and finance commissioner together. Each department head is responsible for his respective department. I can't tell them. I call their attention, but I can't make them.

Mr. WHITE. You are the executive of the city, though.

Mr. CONNOR. That is right.

Mr. WHITE. And as such, you do appoint the police commissioner, do you not?

Mr. CONNOR. No; I do not.

Mr. WHITE. You nominate him, do you not?

Mr. CONNOR. What? .

Mr. WHITE. You nominate him, do you not?

Mr. CONNOR. Oh, no. He is elected by the people.

Mr. WHITE. Police Commissioner English is elected by the people?

Mr. CONNOR. Surely. He is elected as commissioner.

The CHAIRMAN. You mean after the election you divide up the functions?

Mr. CONNOR. We caucus, that is right.

The CHAIRMAN. Does he run, saying he is running for police commissioner?

Mr. CONNOR. Oh, no.

The CHAIRMAN. He just runs for commissioner?

Mr. CONNOR. He just runs for city commissioner.

Mr. HALLEY. Who divides the responsibility? Do you do it in a caucus?

Mr. CONNOR. That is right.

Mr. WHITE. What explanation do you find in your mind for the peculiar conduct of Mr. English in evading the subpoena of this committee?

Mr. CONNOR. I can't answer that, Mr. White.

Mr. WHITE. I am not asking you to read his mind, but I am asking you to give your explanation of how it appears to you.

Mr. CONNOR. I tell you, we have council meetings every Wednesday, and sometimes for 2 weeks he doesn't show up.

Mr. WHITE. That is a little bit different. It isn't as though——

Mr. CONNOR. I can't answer that question, because I have not got any control over him any more than I would have making him come in to a council meeting, and there have been meetings that we would like to have had him there, but he has been out of town.

Mr. WHITE. You see, what has happened here now is that that has cast a serious reflection on the whole administration of the municipal authorities there. There is bookmaking going on wide open. You, as the mayor, as I presume most mayors, have some authority with respect to the police department. The newspapers and the townspeople and many others complain about it. Nothing is done. We advise the police commissioner that he is wanted for an interview with this committee, and he immediately makes himself impossible to find.

You might call that to the attention of your fellow commissioners next Wednesday, and I think they might agree that it is putting everyone concerned in a very unenviable position.

Mr. CONNOR. I am here. I told you I would be here, and I was here since 20 minutes to 10 this morning.

Mr. WHITE. I don't know whether I would have had trouble finding you, or not. I have no way of knowing.

Mr. CONNOR. No; you wouldn't.

Mr. HALLEY. How does that police force function when Mr. English is away for these protracted periods?

Mr. CONNOR. His subordinates.

Mr. HALLEY. Who is in charge?

Mr. CONNOR. He has different ones. There is a desk sergeant, a chief of police, the acting chief now. Our chief is laid up due to illness.

Mr. HALLEY. You do have a chief of police?

Mr. CONNOR. Acting chief.

Mr. HALLEY. What is his name?

Mr. CONNOR. George Dowling.

Mr. HALLEY. Is he the active head of the police force when he is not laid up?

Mr. CONNOR. The police department; yes, sir.

Mr. HALLEY. Do you know Mr. Molasky?

Mr. CONNOR. Who?

Mr. HALLEY. Do you know William Molasky?

Mr. CONNOR. No; I don't.

Mr. HALLEY. Have you ever met him?

Mr. CONNOR. No.

Mr. HALLEY. Do you know Carroll?

Mr. CONNOR. I know him when I see him; yes, sir.

Mr. HALLEY. Have you ever spoken to him?

Mr. CONNOR. Casually, just bidding him the time of day.

Mr. HALLEY. Have you ever been to his home?

Mr. CONNOR. No, sir.

Mr. HALLEY. Has he ever been to your home?

Mr. CONNOR. No, sir.

Mr. HALLEY. Have you ever had a meal together, you and Carroll?

Mr. CONNOR. No, sir.

Mr. HALLEY. Do you see him at the club?

Mr. CONNOR. No, sir.

Mr. HALLEY. Where did you meet him?

Mr. CONNOR. The last time I saw him, I think it was about a year and a half, maybe 2 years ago, out at the Chase Hotel one night going into the dining room. He was sitting out in the lobby. I just bid him the time of day.

Mr. HALLEY. Do you know Bev Brown?

Mr. CONNOR. I know him when I see him.

Mr. HALLEY. Do you know him any more than just casually?

Mr. CONNOR. That is all.

Mr. HALLEY. Have you ever eaten a meal with him?

Mr. CONNOR. No, sir.

Mr. HALLEY. How about Gully Owen?

Mr. CONNOR. I knew him the same.

Mr. HALLEY. You had no further contact?

Mr. CONNOR. No, sir.

Mr. HALLEY. No social contact?

Mr. CONNOR. No, sir.

Mr. HALLEY. Do you know Young Brown?

Mr. CONNOR. I just know him when I see him.

Mr. HALLEY. Will Brown?

Mr. CONNOR. I just know him when I see him.

Mr. HALLEY. Again, you have had no contacts with him?

Mr. CONNOR. No.

Mr. WHITE. Are you acquainted with Buster Wortman?

Mr. CONNOR. I know of him.

Mr. WHITE. Have you ever seen him?

Mr. CONNOR. Surely.

Mr. WHITE. Met him?

Mr. CONNOR. Surely.

Mr. WHITE. Have you ever had dinner with him?

Mr. CONNOR. No.

Mr. WHITE. Drink with him?

Mr. CONNOR. No.

Mr. WHITE. Under what circumstances did you meet him?

Mr. CONNOR. He was native born over there, born and raised in East St. Louis.

Mr. WHITE. I say, under what circumstances did you meet him?

Mr. CONNOR. Just seeing him on the street.

The CHAIRMAN. What is he doing now, Mr. Mayor?

Mr. CONNOR. I couldn't answer that question, Senator. I don't know. In fact, he doesn't live in East St. Louis. He lives in Collinsville.

Mr. WHITE. Doesn't he have a couple of business enterprises there, a couple of bars?

Mr. CONNOR. No, sir.

Mr. WHITE. Doesn't he own the Paddock Bar there?

Mr. CONNOR. No, sir.

Mr. WHITE. Who does own that?

Mr. CONNOR. A fellow by the name of Padgett.

Mr. WHITE. So if Wortman or his brother told me that they owned it, they would be lying, is that correct?

Mr. CONNOR. Surely it would be correct. My application shows Padgett as the owner.

Mr. WHITE. Who owns the Terrace Bar?

Mr. CONNOR. A fellow by the name of Roy Dowling was the last.

Mr. WHITE. Any relation to Elmer Dowling?

Mr. CONNOR. Oh, no.

Mr. WHITE. We want to talk to Mr. English. We are not going to have the opportunity to do it today, but we will be back. I will be back, anyway. I wish that you would try to use your influence, such as you have, in persuading Mr. English to get out from under the bed, or wherever he is hiding.

Mr. CONNOR. I would be only too glad to cooperate in every way.

Mr. WHITE. Just for the record and for your information, I want to say that I went to the police station to find Commissioner English, in the very proper, normal manner that I should, since he is the police commissioner. I was told he was not in. I asked for his telephone number. It was given to me by the desk sergeant. I called his home, identified myself over the telephone, and having previously identified myself to the police sergeant, as an investigator for this committee; his wife said that he would be home in 15 minutes. I said that I would drive out there, that it was urgent and important that I speak to him.

When I arrived there, there was a car in the driveway with a man's hat in the back of it. I rang the bell and was told by Mrs. English that her husband was not at home, that she expected him momentarily. I said I would wait. I gave her my card. I said in case I did miss him it was urgent and imperative that I get in touch with him.

I did wait for about 15 minutes, and no one entered or left the house. I went on on other business and called back half an hour later, and she said he had not returned. I asked if they planned to leave town over the week end or anything of that sort, and she said no. I then went back half an hour later, and she denied that he was there. I left my telephone number at my hotel and an office in the daytime where I could be reached, and I had no response.

The next morning I telephoned early and was advised by the maid, apparently, that the whole family had departed suddenly late the night before.

I think that is a clear-cut case of evasion of a subpoena by an important public official, and I think the officials of your city should know about it. We are taking this means of informing you so that you can inform other people.

The inference that I draw, and that of most people, would be that Mr. English has something to conceal with respect to organized crime in the city of East St. Louis. Otherwise, it would be his duty to appear here.

Mr. CONNOR. Well, I can say in behalf of myself and the entire city council, I know there is no organized crime over there. We have had a standing order for over 20 years to arrest hoodlums on sight, and I think we have done a pretty good job up to now of keeping East St. Louis clear of those people.

Mr. WHITE. With the possible exception of Buster Wortman.

Mr. CONNOR. He has not done anything wrong around East St. Louis. If he has done it other places, then it is up to some other law enforcing body to take care of it other than the city of East St. Louis. If they make a complaint to us, we will handle the situation, provided we get it in the right and proper form.

Mr. WHITE. Mr. Mayor, did you ever make the statement to newspapermen that you considered Buster Wortman an asset to the community, in that he prevented outside hoodlums from coming in there?

Mr. CONNOR. I made that statement?

Mr. WHITE. I asked if you did.

Mr. CONNOR. I did not.

Mr. WHITE. Did you bring your records, your financial records?

Mr. CONNOR. Yes, sir.

The CHAIRMAN. Mr. Mayor, would it inconvenience you if you left those with us? Mr. White will be here next week, and he will get them back to you.

Mr. WHITE. Just leave them in the original package.

The CHAIRMAN. Mr. Costello, we will get them back to you.

Mr. COSTELLO. My address is 606-618 First National Bank Building, East St. Louis, Ill., and my firm is Cramer, Campbell, Costello & Wiechert.

The CHAIRMAN. Mayor Connor, how large is East St. Louis?

Mr. CONNOR. The last census gives us 81,750.

The CHAIRMAN. Mayor, your position is full time?

Mr. CONNOR. Yes, sir.

The CHAIRMAN. How much is your salary?

Mr. CONNOR. Seven thousand dollars a year.

The CHAIRMAN. Are you in any other business?

Mr. CONNOR. No, sir.

The CHAIRMAN. What were you in before you got to be mayor?

Mr. CONNOR. I was 16 years commissioner before I was elected mayor. I have been 28 years, all told, in public office. I was railroading for 20 years with the Pennsylvania before I got elected in 1923.

The CHAIRMAN. How old are you now, sir?

Mr. CONNOR. Sixty-one.

The CHAIRMAN. Thank you very much, Mayor Connor. You are excused. I am sorry we kept you so long.

Mr. CONNOR. That is all right, Senator.

Mr. WHITE. I will get those records back to you next week.

Mr. COSTELLO. If there is anything you might want, Mr. White, in connection with the Mayor, don't hesitate to call on me. Of course, he will be there all the time.

The CHAIRMAN. Call Mr. Schneider, please.

Mr. Schneider, do you solemnly swear the testimony you will give this committee will be the whole truth and nothing but the truth, so help you God?

Mr. SCHNEIDER. I do.

**TESTIMONY OF PAUL J. SCHNEIDER, FAIRMONT CITY, ILL., ACCOMPANIED BY MAX SIGOLOFF, ATTORNEY, ST. LOUIS, MO.**

The CHAIRMAN. What is your name?

Mr. SIGOLOFF. Mr. Sigoloff, Senator.

The CHAIRMAN. Let the record show that Mr. Sigoloff—what is your first name?

Mr. SIGOLOFF. Max. 706 Chestnut Street, St. Louis, Mo.

The CHAIRMAN. Mr. Sigoloff is appearing with Mr. Schneider as his attorney.

Mr. WHITE. Mr. Schneider, you operate an establishment on Cookson Road, in Fairmont City?

Mr. SCHNEIDER. Yes, sir.

Mr. WHITE. What is that address, please?

Mr. SCHNEIDER. 3912 Cookson Road.

Mr. WHITE. How long has that place been in business? How long has that place been in the horse race business?

Mr. SCHNEIDER. I believe we have been there about 4 years. I am not certain about that. I would want to check my records on that.

Mr. WHITE. Approximately 4 years. Before the 4 years, do you know of your own knowledge whether it was used for a regular dwelling, or whether it was used for a similar purpose by someone else?

Mr. SCHNEIDER. It was a dwelling.

Mr. WHITE. Do you happen to know who lived there?

Mr. SCHNEIDER. I don't remember his name.

Mr. WHITE. At any rate, it wasn't yourself or any of your associates?

Mr. SCHNEIDER. No, sir.

Mr. WHITE. Do you own that property there?

Mr. SCHNEIDER. Yes, sir.

Mr. WHITE. What is the value of it?

Mr. SCHNEIDER. That is, I don't own it. Mr. Cammarata's sister.

Mr. WHITE. Were you at one time connected with an operation known as the Melba Co.?

Mr. SCHNEIDER. Melba, yes, sir.

Mr. WHITE. Is this operation that you have there now also known as the Melba Co.

Mr. SCHNEIDER. Yes, sir.

Mr. WHITE. Does that name have any particular significance except as an identifying label of you and your partners, the partnership?

Mr. SCHNEIDER. How is that again?

Mr. WHITE. It is just to identify the partnership, or does it have any other significance?

Mr. SCHNEIDER. No, sir. It took its name, when we went into that business we were in the Melba Building down in South St. Louis.

Mr. WHITE. Were you one of several persons who were indicted and tried in the southern district of Illinois some years ago in connection with an alleged lottery scheme?

Mr. SCHNEIDER. That was not some years ago. That was just recently.

Mr. SIGOLOFF. They weren't tried, but indicted.

Mr. WHITE. Indicted and quashed, is that it?

Mr. SIGOLOFF. We don't have the term "quash."

The CHAIRMAN. A motion was filed to dismiss the pleadings on the ground that skill was involved?

Mr. SIGOLOFF. It didn't constitute a violation of the postal laws.

Mr. WHITE. What was that scheme you were operating at that time, Mr. Schneider, and who were your partners?

Mr. SCHNEIDER. What is what?

Mr. WHITE. First of all, who were your partners in that enterprise?

Mr. SCHNEIDER. Mr. Frank Cammarata.

Mr. WHITE. Who else?

Mr. SCHNEIDER. That is all.

Mr. WHITE. Just one?

Mr. SCHNEIDER. Just the two of us; yes, sir.

Mr. WHITE. Are there just two of you now operating the place on Cookson Road?

Mr. SCHNEIDER. We have help.

Mr. WHITE. You are the two partners?

Mr. SCHNEIDER. Just the two partners.

Mr. WHITE. What was the operation—

The CHAIRMAN. It is still the same operation, is it not? You are still operating?

Mr. SCHNEIDER. Yes. We are not over there any more.

Mr. WHITE. You are not doing a mail business at this address, are you?

Mr. SCHNEIDER. Oh, no.

Mr. WHITE. But you were doing a mail business before, were you not?

Mr. SCHNEIDER. No, sir. Well, I say "no." We weren't doing what the public would figure as a mail business. What the mail constituted was that we mailed out derby sheets, and there were some derby bets mailed in. That was the only occasion that we took bets in the mail.

Mr. WHITE. Then what was your operation in general? Describe that operation which resulted in your indictment.

Mr. SCHNEIDER. That resulted in this indictment?

Mr. WHITE. Yes, sir.

Mr. SCHNEIDER. That was it. We, like other bookmakers, sent out derby sheets, future book, listing the horses and the odds. From time to time those odds changed, and people would wire in or write in and tell us what they wanted in the future book. Then we would mail them a ticket, a receipt for their money.

Mr. WHITE. Are you still doing that type of operation?

Mr. SCHNEIDER. No, sir.

Mr. WHITE. You said not at this place. Are you doing it anywhere else?

Mr. SCHNEIDER. We are winding up the business. That is what we are doing.

Mr. WHITE. Where is the headquarters of that particular business?

Mr. SCHNEIDER. That is the headquarters.

Mr. WHITE. You are not soliciting new customers and you are not mailing out future books at the present time?

Mr. SCHNEIDER. Sir?

Mr. WHITE. You are not now soliciting new customers or mailing out future books?

Mr. SCHNEIDER. We haven't solicited new customers for several years.

Mr. WHITE. When you say you are winding up the business, what do you mean by that?

Mr. SCHNEIDER. I mean by that that we are getting out.

Mr. WHITE. Getting out of the bookmaking business completely?

Mr. SCHNEIDER. That is right.

Mr. WHITE. Why are you getting out, Mr. Schneider?

Mr. SCHNEIDER. Our business has dwindled to such a point that it is hardly worth while fooling with, anyway.

Mr. WHITE. What is your average gross a day, your average take a day, that you handle?

Mr. SCHNEIDER. Yesterday, the Western Union checks were a little over \$500. I don't believe there was anything outside of that.

Mr. WHITE. Incidentally, do you operate in the same manner that C. J. Rich Co. did, through the Western Union?

Mr. SCHNEIDER. Yes, sir.

Mr. WHITE. Do you have Western Union clerks who accept bets for you and transmit the moneys to you?

Mr. SCHNEIDER. Not to our knowledge. You mean agents for us?

Mr. WHITE. Yes.

Mr. SCHNEIDER. No.

Mr. WHITE. What proportion of your business is telegraph business and what proportion of it is local telephone business?

Mr. SCHNEIDER. We haven't any local telephone business to speak of, at all.

Mr. WHITE. How many phones do you have in your place on Cookson Road?

Mr. SCHNEIDER. Four.

Mr. WHITE. Are you sure there are not more than four there?

Mr. SCHNEIDER. There is more instruments than that, but there are just the four numbers. Some of them have extensions from one table to the other.

Mr. WHITE. You must have some local telephone business. Otherwise there wouldn't be any point in having more than one phone.

Mr. SCHNEIDER. We do have a little local business; none to speak of.

Mr. WHITE. Where do you draw that trade from?

Mr. SCHNEIDER. East St. Louis.

Mr. WHITE. Do you subscribe to the Pioneer News Service?

Mr. SCHNEIDER. Yes, sir.

Mr. WHITE. By ticker?

Mr. SCHNEIDER. Yes, sir.

Mr. WHITE. How much do you pay for that service?

Mr. SCHNEIDER. \$90 a week.

Mr. WHITE. Has it always been \$90 a week?

Mr. SCHNEIDER. No. It has been as low as \$20.

Mr. WHITE. What was the difference between the \$20 service and the \$90 service?

Mr. SCHNEIDER. There is no difference in the service at all. It is the same.

Mr. WHITE. What was the basis for the change in charge?

Mr. SCHNEIDER. The which?

Mr. WHITE. What was the basis for the difference in rates? Why were the rates different at different times?

Mr. SCHNEIDER. Well, I suppose it is like everything else, over a period of years—when I say \$20, that has been about 17 or 18 years ago.

Mr. WHITE. You said you had this place for the past 4 years, didn't you?

Mr. SCHNEIDER. Well, in the last 4 years we have paid \$60, \$75, and then \$90. I believe that was the scale.

Mr. WHITE. With whom do you negotiate on these prices? Who tells you how much you are going to have to pay?

Mr. SCHNEIDER. I am sorry to have to ask you to repeat these questions, but I am a little bit hard of hearing.

Mr. WHITE. Who tells you how much you are going to have to pay?

Mr. SCHNEIDER. Pop Brown told us.

Mr. WHITE. Pop Brown is now dead. Now who tells you?

Mr. SCHNEIDER. Nobody. We haven't been raised, I guess, for a year and a half.

Mr. WHITE. Do you have any contract or agreement with Pioneer?

Mr. SCHNEIDER. No, sir.

Mr. WHITE. Have you had any discussions with young Brown?

Mr. SCHNEIDER. No.

Mr. WHITE. How do you pay your account book with Pioneer, Mr. Schneider?

Mr. SCHNEIDER. By check.

Mr. WHITE. A check on whose account?

Mr. SCHNEIDER. Melba.

Mr. WHITE. And signed by yourself?

Mr. SCHNEIDER. No. I can sign checks. Mr. Cammarata can sign checks. But they are usually signed by one of the men in the office, Mr. Charles Kastner.

Mr. WHITE. You are sure that you don't put some money in an envelope and drop it into the mail slot of the Pioneer office?

Mr. SCHNEIDER. No. I have the checks here if you want to see them. I will be glad to get them out of the box there.

Mr. WHITE. Mr. Schneider, were you ever bothered by the police in the city of Fairmont?

Mr. SCHNEIDER. No.

Mr. WHITE. Were you ever bothered by the sheriff?

Mr. SCHNEIDER. No.

Mr. WHITE. Were you ever bothered by the district attorney?

Mr. SCHNEIDER. No.

Mr. WHITE. You were conducting an illicit operation, weren't you; an illegal operation?

Mr. SIGOLOFF. I don't think that is a proper question, Mr. Chairman.

The CHAIRMAN. Does he know whether it is unlawful or not? If he does—

Mr. SIGOLOFF. I submit that isn't within his province to determine whether it is or not.

Mr. SCHNEIDER. I don't know.

Mr. HALLEY. Has he been told whether it is unlawful or not?

Mr. SCHNEIDER. Sir?

Mr. HALLEY. Have you inquired of counsel whether it is unlawful or not?

Mr. SCHNEIDER. No, sir, I haven't.

Mr. HALLEY. Have you ever been advised that bookmaking is a felony in the State of Illinois?

Mr. SCHNEIDER. Would you mind talking a little louder?

Mr. HALLEY. Have you ever been advised that bookmaking is a felony in the State of Illinois?

Mr. SCHNEIDER. No, sir.

Mr. WHITE. You have been a bookmaker for 17 years?

Mr. SCHNEIDER. Yes.

Mr. WHITE. Have you ever been arrested for bookmaking?

Mr. SCHNEIDER. Well, we were once, yes.

Mr. WHITE. When was that?

Mr. SCHNEIDER. About 11 or 12 years ago.

Mr. WHITE. Where was it?

Mr. SCHNEIDER. Here in St. Louis.

Mr. WHITE. You say that you don't know whether or not gambling is against the law?

Mr. SIGOLOFF. He didn't say that. The question was submitted in a different form entirely.

The CHAIRMAN. Whether his operation over there was unlawful or not. That is the question.

Mr. SIGOLOFF. It is not for this witness to pass upon the legality of any law, Mr. Chairman.

The CHAIRMAN. Mr. Sigoloff, if he knows whether it was or not, let him say. If he does not know—

Mr. SCHNEIDER. I say I don't know.

Mr. SIGOLOFF. Just a second.

I submit that the chairman has recognized there is some merit in my point. I don't think it is for the witness to determine the legality of any law.

The CHAIRMAN. Mr. Sigoloff, I think even in a court of law that that is a legitimate question, but of course, we are not trying anybody. We have no plenary powers. We are just trying to find out what the operation was, whether he got any protection for the operation, what

the law-enforcement conditions around his operation were. So it is pertinent to the question whether he knew this was an operation in violation of the law. We will ask the witness to answer that.

Mr. SIGOLOFF. I submit, Mr. Chairman—

The CHAIRMAN. You have made your objection and I have overruled the objection. The question is, Do you know whether or not this operation that you were carrying on was in violation of the law of the State of Illinois?

Mr. SCHNEIDER. Well, I really don't know, sir.

Mr. WHITE. Do I understand you to say, then, Mr. Schneider, that you do not know whether the taking of bets on a horse race and the exchange of money in connection with that bet is a violation of the law, or not?

Mr. SCHNEIDER. Well, I really don't, because—

Mr. SIGOLOFF. I submit that is argumentative.

The CHAIRMAN. That is the question, and we will ask him to answer it.

What is your answer, that you do not know whether it was or not?

Mr. SCHNEIDER. I don't know.

Mr. WHITE. Was there any consideration of any kind given by you or any of your partners to any public officials for the privilege of operating there?

Mr. SCHNEIDER. No, sir.

Mr. WHITE. In your opinion, could anyone have set up a similar operation across the street from you in competition with you without molestation?

Mr. SCHNEIDER. I don't know about that, sir.

Mr. WHITE. Did you have any special relationship with the public officials that enabled you to operate?

Mr. SCHNEIDER. No, sir.

The CHAIRMAN. Did you have any special franchise with Pioneer News Service whereby you had a monopoly for that area?

Mr. SCHNEIDER. No, we did not, because we never catered to the people in the neighborhood anyway. We had no people in and out of the place.

The CHAIRMAN. People call in bets on the telephone?

Mr. SCHNEIDER. On the telephone or on the wire.

The CHAIRMAN. Did they call in from St. Louis over here?

Mr. SCHNEIDER. No; we didn't have any customers from St. Louis.

The CHAIRMAN. Do you have agents out getting bets from the people?

Mr. SCHNEIDER. Around the country, wire business, yes.

The CHAIRMAN. How many States would you take bets from, I mean?

Mr. SCHNEIDER. How many States?

The CHAIRMAN. Yes.

Mr. SCHNEIDER. In Illinois, Missouri, Arkansas—

The CHAIRMAN. Tennessee?

Mr. SCHNEIDER. Tennessee, Kentucky.

The CHAIRMAN. Did these people keep an account with you? That is, did some of your bettors have money on hand against which they would bet?

Mr. SCHNEIDER. Sometimes they would. Others would just send the money in with the telegram.

The CHAIRMAN. And they would get in touch with you by telegram, by letter, or by telephone call?

Mr. SCHNEIDER. No, not by letter. By telephone or wire.

The CHAIRMAN. You did send out form sheets?

Mr. SCHNEIDER. That is on the derby.

The CHAIRMAN. That is on the derby.

Mr. SCHNEIDER. I thought you were talking about the regular everyday business.

The CHAIRMAN. You have told what your Western Union take is a day. What is your telephone take and all your take altogether?

Mr. SCHNEIDER. Right now?

The CHAIRMAN. Say during the time when you were operating better, say 1 year ago.

Mr. SCHNEIDER. If you want to know exactly, I had better get the books.

The CHAIRMAN. Approximately, to your best knowledge.

Mr. SCHNEIDER. Oh, I would say altogether \$1,200 or \$1,500 a day.

The CHAIRMAN. What is it now, approximately?

Mr. SCHNEIDER. About half that.

Mr. WHITE. What is your average percentage of profit on your business?

Mr. SCHNEIDER. Well, I don't know how to answer you on that. It is pretty difficult.

Mr. WHITE. Don't you try to work on a definite margin of profit and keep it in that by laying-off bets if you are in danger?

Mr. SCHNEIDER. Yes, we do laying-off, but we have no definite percentage to figure on.

The CHAIRMAN. Do you pay track odds?

Mr. SCHNEIDER. Yes, sir.

The CHAIRMAN. How about over 20-to-1? Will you take bets over 20-to-1?

Mr. SCHNEIDER. We have paid track odds up to 10 across, and we pay 40, 20, and 10 for the next 10; 20, 10, and 5 after that.

The CHAIRMAN. Who do you lay-off with, Mr. Schneider?

Mr. SCHNEIDER. John Mooney, Earl Schaelter, R. L. Kilpatrick Co.

The CHAIRMAN. John Mooney is Carroll, is it not?

Mr. SCHNEIDER. Yes, sir.

The CHAIRMAN. That is his operation. Does Mr. Carroll come around to see you?

(No response.)

Mr. WHITE. Do you know Buster Wortman?

Mr. SCHNEIDER. No, sir.

Mr. WHITE. That is all I have.

Mr. HALLEY. I have no more questions.

The CHAIRMAN. You say you have never paid anybody for protection, any police or city official?

Mr. SCHNEIDER. No, sir.

The CHAIRMAN. Did you ever loan them any money?

Mr. SCHNEIDER. No, sir.

The CHAIRMAN. What other businesses do you have?

Mr. SCHNEIDER. Sir, I am principally in the bowling alley business.

The CHAIRMAN. Are you a native of East St. Louis?

Mr. SCHNEIDER. No, St. Louis,

The CHAIRMAN. How about slot machines?

Mr. SCHNEIDER. No.

The CHAIRMAN. Are you in the slot-machine business?

Mr. SCHNEIDER. No, sir.

The CHAIRMAN. This Melba Co. and bowling alleys are all you have? Is that your business?

Mr. SCHNEIDER. Yes, sir.

The CHAIRMAN. What else?

Mr. SCHNEIDER. I am in no other business except the sales of bowling alleys.

The CHAIRMAN. How about Frank Cammarata? What business is he in besides the Melba Co.?

Mr. SCHNEIDER. None that I know of.

The CHAIRMAN. What is the active manager, you or he?

Mr. SCHNEIDER. I would say it is about 50-50.

The CHAIRMAN. Anything further?

Mr. WHITE. Are you personally acquainted with any officials of the Western Union?

Mr. SCHNEIDER. Mister—I can't think of his name, who was formerly manager there, rented a house from a real estate company that I worked for.

Mr. WHITE. Were you personally acquainted with any of the Western Union office managers or clerks who handled—

Mr. SCHNEIDER. I know from going in there.

Mr. WHITE. In your local office, but in the point of origin of the messages?

Mr. SCHNEIDER. Oh, no.

Mr. WHITE. Did you ever have any correspondence with them, ever remit any money to them, every pay them a commission?

Mr. SCHNEIDER. I won't swear to that. We do have people that we pay commissions to around the country. We pay for nearly everything we get. To my knowledge, none of them are Western Union people.

The CHAIRMAN. What is your commission, 25 percent of the profit?

Mr. SCHNEIDER. We have different arrangements. We get it on whatever basis we can. Some we give 2½ and 10. That means we give them 2½ percent of the take and 10 percent of the net profit. We have others we give a straight 20 or 25 percent to, and some as high as 50 percent of our net profit.

Mr. WHITE. Were you operating today?

Mr. SCHNEIDER. There were some wires come in, and our man has gotten them, I believe.

Mr. WHITE. Were you getting wire service today or information today?

Mr. SCHNEIDER. No, sir. We are closed over there.

Mr. WHITE. You are not getting telephone information?

Mr. SCHNEIDER. No, sir.

You asked me how many phones we had over there. You know, when you were there Saturday you saw a whole lot of phones.

Mr. WHITE. Friday.

Mr. SCHNEIDER. Friday, whenever it was. You saw a lot of phones. There is another company in that front room. That isn't all ours. Ours is just the side room.

Mr. WHITE. Who is the other company?

Mr. SCHNEIDER. R. L. Kilpatrick Co.

Mr. WHITE. R. L. Kilpatrick. Is that a local business, or is that a telegraph business?

Mr. SCHNEIDER. No, I think his is local.

Mr. WHITE. Do they rent the premises from you?

Mr. SCHNEIDER. Yes, sir.

Mr. WHITE. How much do you charge them?

Mr. SCHNEIDER. Ten dollars a month.

Mr. WHITE. Do you have the value and benefit of their wire service, information service?

Mr. SCHNEIDER. Of the news service, you mean?

Mr. WHITE. Yes, sir.

Mr. SCHNEIDER. No. They have their own.

Mr. WHITE. Isn't that a very low rent for that facility that you provide?

Mr. SCHNEIDER. All we provide is the one room.

Mr. WHITE. I have nothing further.

Mr. HALLEY. Is there some advantage that you gain by having them right there with you?

Mr. SCHNEIDER. Sir?

Mr. HALLEY. Is there some advantage that you gain by having them right in there with you?

Mr. SCHNEIDER. No, none at all. We lay-off to them once in a while, but they wouldn't have to be there for us to do that.

Mr. HALLEY. Are you or any of the people associated with your business also associated with Kilpatrick?

Mr. SCHNEIDER. No.

The CHAIRMAN. All right; that is all.

Mr. SIGOLOFF. I just would like to clear up one thing, if you will.

The CHAIRMAN. All right.

Mr. SIGOLOFF. You said you had not solicited any customers for several years. I want that cleared up in the record. What do you mean by soliciting customers, that you hadn't for several years?

Mr. SCHNEIDER. To go out and ask them for business. A lot of these firms have men on the road.

Mr. SIGOLOFF. That isn't altogether meant by soliciting customers, you know. You can solicit customers by wire and by letters, Mr. Schneider, so I want these gentlemen and the record to show what you understand by soliciting. You don't have to go out and see somebody, you know, in order to solicit business. Is that what you mean?

Mr. SCHNEIDER. Yes; that is what I meant.

The CHAIRMAN. When did you stop sending things out through the mail to prospective customers?

Mr. SCHNEIDER. The last thing we sent out through the mail was, I believe, that derby sheet.

The CHAIRMAN. When was that?

Mr. SCHNEIDER. That was a year ago last April.

The CHAIRMAN. All right.

Mr. SIGOLOFF. In other words, for the benefit of the record, also, since this indictment you did not send out any matter through the mail?

Mr. SCHNEIDER. No.

Mr. SIGOLOFF. In other words, you did not intend to send any more out, is that your testimony?

Mr. SCHNEIDER. That is right.

Mr. SIGOLOFF. Then commissions to persons around. Do you know that perhaps some of these persons who receive commissions in these various States may be working for the Western Union but you don't know whether they are?

Mr. SCHNEIDER. That is right. They may be, but I don't know; not that I know of.

Mr. SIGOLOFF. That is what I wanted to clear up.

The CHAIRMAN. All right.

You have some records, I believe, which you brought in pursuant to the subpoena. They will be made a part of the record, and we will get them back to you right away.

Mr. SIGOLOFF. Senator, they are those great big things over there, boxes and so on, and also Mr. Schneider has records here. Mr. White suggested that he bring all of his records covering all of his business connections. Of course, he wanted to comply and did comply with that request. They are great big boxes here, and there is a suitcase there, and a lot of envelopes there. As far as the Melba records, he is more than glad for you to have those here. He does have occasion, I am told by him—of course, I don't know personally—is I correct in saying that you do use the records of the bowling alley business?

Mr. SCHNEIDER. I use them? Oh, yes, surely.

Mr. SIGOLOFF. You mentioned something about needing them.

Mr. SCHNEIDER. Surely, I have to have them to carry on our business.

The CHAIRMAN. Do we have any need for the bowling alley records?

Mr. WHITE. None at all.

The CHAIRMAN. You may take them with you.

Mr. SCHNEIDER. I have bowling alley check stubs.

Mr. SIGOLOFF. The Senator says you can take the bowling alley records with you.

The CHAIRMAN. If you got them all back by the end of next week, would that be all right?

Mr. SCHNEIDER. I would like to take my bowling alley business with me.

The CHAIRMAN. If you can get it out, you can take it.

Mr. SCHNEIDER. Those are canceled checks and check stubs.

Mr. SIGOLOFF. Is it all right for him to take whatever he can of the bowling alley business?

The CHAIRMAN. Yes, that is all right.

The CHAIRMAN. Call Gregory Moore.

Mr. Moore, do you solemnly swear the testimony you will give this committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. MOORE. I do.

#### TESTIMONY OF GREGORY MOORE, ST. LOUIS, MO., ACCOMPANIED BY JOHN W. JOYNT, ATTORNEY, ST. LOUIS, MO.

Mr. JOYNT. My name is Joynt, J-o-y-n-t, John W.

The CHAIRMAN. You are appearing as attorney for Mr. Moore?

Mr. JOYNT. That is right. My address is Shell Building, St. Louis.

Mr. HALLEY. What is your occupation, Mr. Moore?

Mr. MOORE. At the present time, none.

My address is 8114 Gammon, St. Louis 24.

Mr. HALLEY. When did you last have an occupation?

Mr. MOORE. The 12th of May.

Mr. HALLEY. The 12th of May of this year?

Mr. MOORE. Yes, sir.

Mr. HALLEY. What was your occupation?

Mr. MOORE. The question of my occupation is in the process of litigation, and I don't think I could testify to that effect now. That is my opinion. Your opinion may be otherwise.

Mr. HALLEY. It is in the process of civil or criminal litigation?

Mr. MOORE. Criminal litigation in the county court of Madison.

Mr. HALLEY. Were you a participant in the so-called Hyde Park Club?

Mr. MOORE. Was I what?

Mr. HALLEY. A participant in the so-called Hyde Park Club.

Mr. MOORE. That is right.

Mr. HALLEY. What did the Hyde Park Club do?

Mr. MOORE. That would be incriminatory against—

Mr. HALLEY. If your position is that it will incriminate you under the laws of the State of Illinois—

Mr. MOORE. My opinion is that since I have to have my day in court, and I have to go to trial, anything I would say regarding that would be in the press and could be used against me.

The CHAIRMAN. Is there any Federal proceeding pending against you, Mr. Moore?

Mr. MOORE. No, sir.

The CHAIRMAN. Then you have no privilege, because you are only privileged not to testify on the ground that it would incriminate you in a Federal proceeding.

Mr. JOYNT. May I suggest this, gentlemen, that there has been an information issued against Mr. Moore, and I believe the case has been set for trial. I believe in fairness to Mr. Moore you might defer that particular question.

Mr. HALLEY. You must realize that he is here for the purpose of talking about the Hyde Park Club, so we would have to defer it all.

Perhaps I can clear it up.

Mr. MOORE. I am not averse to discussing—

Mr. HALLEY. Your privilege, first of all, is limited, as Senator Kefauver said, to matters which would incriminate you under the Federal law. It is secondly limited only to cases in which you are willing to say under oath that your testimony would tend to incriminate you, not that it might.

Mr. JOYNT. He not only takes that position, but he will decline to answer that question unless he is compelled to do so by you.

Mr. HALLEY. What question will he decline to answer?

Mr. JOYNT. The question you just put. If you insist upon it, he will answer it on your insistence.

The CHAIRMAN. What is the question?

Mr. MOORE. What kind of business was Hyde Park? Is that it?

The CHAIRMAN. Mr. Joynt, the committee wants to be fair with Mr. Moore, and we certainly do not want to prejudice his situation in any way if we can prevent it. This is, of course, an executive session.

Mr. JOYNT. I understand that, Mr. Senator.

**The CHAIRMAN.** I imagine before any testimony is released or before we have an open hearing, this will be out of the way. In any event, Mr. Moore has no privilege upon which he can rely to prevent answering a question before this committee.

**Mr. JOYNT.** I understand that, Senator.

**The CHAIRMAN.** We have no power of trying anybody. We are not trying to convict anybody. We are just trying to find out what the facts are. We do not want to go into detail, but we would like to know generally what kind of business it is.

**Mr. MOORE.** It is a gambling business.

**Mr. HALLEY.** I show you a copy of the partnership return for 1949, and work papers that accompany it. Can you identify them? Here are the remainder of the work papers.

**Mr. MOORE.** What is this, sir?

**Mr. HALLEY.** The remainder of the work papers.

**Mr. MOORE.** What do you want me to identify?

**Mr. HALLEY.** Is that the partnership return and the work papers? We got them from your accountant.

**Mr. MOORE.** You got them from Staley. I told him to give them to you.

**Mr. HALLEY.** The papers he delivered to us are in fact the income-tax returns of the Hyde Park Club?

**Mr. MOORE.** That is right.

**Mr. HALLEY.** I offer in evidence as exhibit No. 22 all of the papers delivered to the committee by Mr. Staley pursuant to your instruction.

(Exhibit No. 22 was later returned to the witness.)

**Mr. MOORE.** This name I will have to reverse. I won't erase it. I will just interlineate it. It should be this way instead of that way. You have the name in the wrong place. This one is wrong, too, the wrong spelling.

**Mr. HALLEY.** You mean a typographical error?

**Mr. MOORE.** The name is "er." instead of "ee." However, I haven't erased them. I left them right there.

These dependents, I don't know anything about that.

**The CHAIRMAN.** All right, let us get on.

**Mr. MOORE.** I am just checking those names to verify them, that is all.

**Mr. HALLEY.** We got them from your accountant. If there is any mistake in them, we certainly will have them corrected.

**Mr. MOORE.** I have them corrected here, so you can change them.

**Mr. HALLEY.** At the Hyde Park Club there was a horse book?

**Mr. MOORE.** That is right.

**Mr. HALLEY.** And there were various gambling games?

**Mr. MOORE.** Blackjack. At that time that was all there was.

**Mr. HALLEY.** And crap games?

**Mr. MOORE.** No; they had closed.

**Mr. HALLEY.** When did they close?

**Mr. MOORE.** Christmas Eve.

**Mr. HALLEY.** Of 1949?

**Mr. MOORE.** That is right.

**Mr. HALLEY.** Up to then there was craps and roulette?

**Mr. MOORE.** And blackjack and horses.

**Mr. HALLEY.** Taking the year 1949 return, I see that the gross income was \$971,000; is that right?

Mr. MOORE. Offhand I couldn't tell you, but in the absence of something to the contrary, I will say it is right. I am positive it is, but I don't recall the figures, but I will say that it is correct.

Mr. HALLEY. You show an ordinary net income of \$364,000.

Mr. MOORE. Offhand, I couldn't tell you that, either, but I will tell you it is correct for the record.

Mr. HALLEY. Then I see here a schedule of payments to partners. First of all, there were salaries; is that right?

Mr. MOORE. For whoever were marked on there, there were salaries; yes, sir.

Mr. HALLEY. I take it you devoted 100 percent of your time to the business?

Mr. MOORE. In a supervisory capacity, but not 100 percent. I was in and out, because it didn't require that much time.

Mr. HALLEY. What was your income from the club in 1949?

Mr. MOORE. I don't know what the total figure is there, but whatever 5 percent of the figure there is should be on there.

Mr. HALLEY. Let's see if we can find it.

Mr. MOORE. Yes; I am on there.

Mr. HALLEY. \$17,869.

Mr. MOORE. Whatever that shows there, for the record that is it.

Mr. HALLEY. I note some people drew a great deal more income in that year, such as John T. Connor.

Mr. MOORE. He had a greater percentage. Look at the right-hand corner.

Mr. HALLEY. He had 17½.

Mr. MOORE. That is your answer.

Mr. HALLEY. Whereas you had only——

Mr. MOORE. Five.

Mr. HALLEY. Five percent.

Mr. MOORE. That is right.

Mr. HALLEY. What was your capacity in the operation of the club?

Mr. MOORE. Just supervisor.

Mr. HALLEY. You were there every day?

Mr. MOORE. I was there every day, but in and out. I was there every day, but I didn't have any special hours.

Mr. HALLEY. Did you have any other occupation or sources of income yourself?

Mr. MOORE. In 1949? Yes. I got—I forgot the amount, from the Hollywood Race Track.

Mr. HALLEY. Hollywood, Fla.?

Mr. MOORE. Hollywood Turf Club. It is in California, but I forget the town. Arcadia.

Mr. HALLEY. Who are your associates in the Hollywood track?

Mr. MOORE. I couldn't tell you.

Mr. HALLEY. Can you name any of them?

Mr. MOORE. Yes. I can name the ones that send me a letter every year and ask for my proxy, Mervyn Leroy, Tom Simmions, but I don't know them.

Mr. HALLEY. How did you happen to get into it?

Mr. MOORE. When it was organized, I was solicited. They solicited funds to organize the Hollywood Race Track, and it was open to anyone.

Mr. HALLEY. Who solicited the funds?

Mr. MOORE. Howard Quinn got me in it. He is one of my partners; right there.

Mr. HALLEY. John H. Quinn?

Mr. MOORE. John H.; that is right.

Mr. HALLEY. Of Venice, Ill.

Mr. MOORE. That is right.

Mr. HALLEY. He spoke to you about it, and then you both got into that?

Mr. MOORE. Yes, sir. He used to live out there.

Mr. HALLEY. In 1949, did you have any other business ventures or interests?

Mr. MOORE. I think that is the only income I recall. However, I can get my income tax. Offhand, I couldn't tell you.

Mr. HALLEY. I wish you would, and at a later time make it available.

Mr. MOORE. If he will be in town, I will give it to him, be glad to.

Mr. HALLEY. Where did you get your racing information for the horse book at Hyde Park, from Molasky?

Mr. MOORE. I don't know. Pioneer News.

Mr. HALLEY. What was the arrangement with Pioneer?

Mr. MOORE. Pardon me, what do you mean, financial arrangement?

Mr. HALLEY. Yes.

Mr. MOORE. I think we paid \$300 a week.

Mr. HALLEY. Who arranged the price?

Mr. MOORE. That I couldn't tell you.

Mr. HALLEY. Did you ever have any dealings with Pioneer?

Mr. MOORE. No; except that we had to have their service.

Mr. HALLEY. Who was in charge of that arrangement?

Mr. MOORE. Offhand I couldn't tell you definitely, because the service was supplied there over a period of years before I ever came in there.

Mr. HALLEY. Somebody in your organization must be in charge of the transactions and dealings from day to day with Pioneer. Who does it?

Mr. MOORE. There is no daily transactions there at all. Whenever you open up—

Mr. HALLEY. Who delivers the \$300 every week?

Mr. MOORE. One of the clerks, any clerk delivers it over there. Nobody in particular.

Mr. HALLEY. Is it done by check?

Mr. MOORE. Cash. Some of it might be check. Connor's would be some in check and some in cash. We have a receipt for the cash.

Mr. HALLEY. You say "Connor's." Is he the one in charge of it?

Mr. MOORE. I wouldn't necessarily attribute him being in charge. Whoever happened to take the money would send it over. It was no specific job of anybody to handle.

Mr. HALLEY. Is it delivered directly?

Mr. MOORE. To the office.

Mr. HALLEY. To Pioneer?

Mr. MOORE. To the office.

Mr. HALLEY. \$300 every week?

Mr. MOORE. Yes, sir.

Mr. HALLEY. Was that true all during 1949?

Mr. MOORE. That, I would have to adhere to the record, refer you to the record. We have receipts for it. From memory, I wouldn't tell you that, because it might have varied. It might have been \$250. But I think the last time was \$300.

Mr. HALLEY. When did you first become associated with the Hyde Park Club?

Mr. MOORE. About 1942, I think.

Mr. HALLEY. Since 1942, have you had any other businesses besides the Hyde Park Club?

Mr. MOORE. Yes.

Mr. HALLEY. What were they?

Mr. MOORE. I forget how much money, I had some money in the National Amusement Co.

Mr. HALLEY. What is the business of the National Amusement Co.?

Mr. MOORE. That is phonographs, pinball machines.

Mr. HALLEY. Who were your associates in that?

Mr. MOORE. Barney Barts was one, and Frank Wortman was another, but the rest of them I couldn't tell you, because he is the only one.

Mr. HALLEY. Do you know Frank Wortman?

Mr. MOORE. Yes; I have known him since he was 10 years old.

Mr. HALLEY. Where does he live?

Mr. MOORE. Up in Collinsville, now. He used to live in St. Louis.

The CHAIRMAN. Is that Buster Wortman?

Mr. MOORE. That is right.

Mr. HALLEY. Are you associated with him in any other business?

Mr. MOORE. No, sir.

Mr. HALLEY. Do you still have that pinball business with him?

Mr. MOORE. No; I sold that, and there is a capital gains tax on that, and I loaned him some money on Plaza.

Mr. HALLEY. You are associated in the Plaza Amusement Co.?

Mr. MOORE. Yes. I have some stock in there.

Mr. HALLEY. Who else is associated in the Plaza Amusement Co.?

Mr. MOORE. I couldn't tell you. I put my money in there at his behest, but I never go near the place. I haven't been in the place. I couldn't tell you who works there except one woman, she was an entertainer named Ann something. I have known her for about 20 years, I guess.

Mr. HALLEY. Does Wortman have money in Plaza?

Mr. MOORE. I am satisfied he does, yes. That is the reason I put some in there, to give him a break.

Mr. HALLEY. Did he put some in?

Mr. MOORE. Stock; yes. I think he has stock in there. I am sure he has.

Mr. HALLEY. Did he put money in?

Mr. MOORE. I am satisfied he must have if he has stock in there.

Mr. HALLEY. He was in that other company first with you?

Mr. MOORE. Yes; and he got some money on the capital gains.

Mr. HALLEY. He got some money on the capital gains?

Mr. MOORE. That is right.

Mr. HALLEY. It was in 1942 that you went into it?

Mr. MOORE. I don't know what year it was, exactly, now. I would have to get the record for you. I think it was later than 1942. I think that was 1944.

Mr. HALLEY. That you sold out?

Mr. MOORE. No; that we started.

Mr. HALLEY. That you started. And when did you sell out?

Mr. MOORE. About 18 months later.

Mr. HALLEY. Did Wortman have money to put into that business in 1944? What was the name of it?

Mr. MOORE. The National. He didn't have any then.

Mr. HALLEY. Who staked him in National?

Mr. MOORE. I put some of it up, and his brother put some up, I think. I am not positive, but I am relying on my memory. That is all I can tell them.

Mr. HALLEY. Did anybody else put money into National?

Mr. MOORE. I don't think so. I don't think so.

Mr. HALLEY. National sold out when? It started in 1944.

Mr. MOORE. I am hazarding a guess on it now, and we kept it for 16 or 17 months.

Mr. HALLEY. Let's get it straight. In 1944, then, when National started—

Mr. MOORE. I think so.

Mr. HALLEY. And the record will show when it started?

Mr. MOORE. That is right, and the record will have to show when the capital gains were reported.

Mr. HALLEY. At that point, Wortman had no money. He borrowed some from his brother and some from you to start in National?

Mr. MOORE. I don't know that. I don't know whether Wortman had money or not, but I put some money in there to help the place go.

Mr. HALLEY. He didn't put any in, I thought you testified, but that his brother had put some in.

Mr. MOORE. I think that is correct, but I wouldn't want to go on record as saying that is absolutely correct. I want to qualify that because I don't know offhand.

Mr. HALLEY. Qualify it as best you can.

Mr. MOORE. I think that I put some in and Ed put some in, his brother Ed.

Mr. HALLEY. And Frank had a free ride?

Mr. MOORE. As to that, I am not positive.

Mr. HALLEY. You were a partner. Did he actually deliver any money to the business?

Let the witness testify, Mr. Joynt. We will be fair. We are trying to be fair. We have gotten along very well with all the other witnesses. I think we can get along with him.

Mr. MOORE. I haven't a thing to hide. I will bring you the record.

The CHAIRMAN. Is this a corporation or a partnership?

Mr. MOORE. That was a corporation.

Mr. HALLEY. Do you still have the books of it?

Mr. MOORE. No, but the Government has a complete audit of it.

Mr. HALLEY. The point is that if Mr. Wortman, Frank Wortman, at the time he went into that business, borrowed from you and his brother his contribution, that wouldn't show on any Government audit. As far as you recall, that is the fact?

Mr. MOORE. As far as I recall, I think that is, yes; relying on a fairly retentive memory, I think that is right.

Mr. HALLEY. That is good enough.

Then you sold out, with capital gains, about 1946, did you say?

Mr. MOORE. Add 16 or 17 months to the date that we took it over, and you will have your answer. When I get you the day we took it over, I think we kept it for 16 consecutive months.

Mr. HALLEY. Who bought that?

Mr. MOORE. The people we bought it from, Pete Brandt, the Wurlitzer distributor. He is on Eighteenth and Olive.

Mr. HALLEY. That is a Chicago outfit, isn't it?

Mr. MOORE. No, St. Louis. He is the St. Louis distributor for the Wurlitzer people.

Mr. HALLEY. They are controlled in Chicago, are they not?

Mr. MOORE. I couldn't answer that. He is an individual, himself.

Mr. HALLEY. Pete Brandt is the fellow you bought it from?

Mr. MOORE. That is right, and we sold it back.

Mr. HALLEY. Does he have associates?

Mr. MOORE. That I couldn't tell you.

Mr. HALLEY. What was the capital gain?

Mr. MOORE. The capital gains, offhand I couldn't tell you, but I will be glad to give you a copy of my tax return. I think the capital gain was \$6,600, and of course, half is reported, \$3,300.

Mr. HALLEY. Your own share was \$6,600?

Mr. MOORE. Relying on a fairly retentive memory, I think it is.

Mr. HALLEY. Did you have a third interest?

Mr. MOORE. I think I had 10 percent of it.

Mr. HALLEY. Ten percent. Do you recall how much Wortman had?

Mr. MOORE. Offhand, no, I couldn't tell you, but I know the books will show it.

Mr. HALLEY. Do you think he had over 50 percent?

Mr. MOORE. No, I don't think he could have had that much.

Mr. HALLEY. How many partners were there in National?

Mr. MOORE. There was a fellow named Barts, and myself, and Wortman, and for the purpose of incorporation I just put my son down for one share. You know, some kind of technicality.

Mr. JOYNT. Qualifying share.

Mr. MOORE. We just wanted to make it a legal corporation.

Mr. HALLEY. I have heard a great deal about the pinball companies, but I would like to hear something about them from an expert.

Mr. MOORE. I am not that.

Mr. HALLEY. Exactly what was the business of National?

Mr. MOORE. That is one business I had nothing to do with. I just put the money up. I know nothing whatever about that business. I can assure you of that, definitely.

Mr. HALLEY. Did you make machines, or buy them?

Mr. MOORE. Oh, no. You buy them.

Mr. HALLEY. Who did you buy them from?

Mr. MOORE. From the Wurlitzer people, and from various—

Mr. HALLEY. In Chicago?

Mr. MOORE. Yes, I think so.

Mr. HALLEY. Pinball machines?

Mr. MOORE. No; the people that sell you the Wurlitzers have nothing to do with pinballs.

Mr. HALLEY. What did you handle in National? You handled juke boxes?

Mr. MOORE. That is right.

Mr. HALLEY. Pinballs, too?

Mr. MOORE. Yes, but the pinballs weren't purchased from the same people that sell the juke boxes.

Mr. HALLEY. Who sold you the pinballs?

Mr. MOORE. Offhand, I couldn't tell you, some Chicago——there are four or five Chicago outfits. I had nothing to do with the operation of that firm.

Mr. HALLEY. Who sold you—did you sell punchboards, too?

Mr. MOORE. No.

Mr. HALLEY. No punchboards?

Mr. MOORE. No, sir; no gambling devices.

Mr. HALLEY. It has been reputed—and I am going to talk very frankly to you, because I think you are inclined to talk frankly at this moment.

Mr. MOORE. That is right.

Mr. HALLEY. It has been reputed that the pinball machines and the juke box machines are controlled by people who can force shopkeepers and saloon keepers, and such, to put those machines in their premises by gangster methods. Do you have any knowledge of that?

Mr. MOORE. None whatever, and I wouldn't be a party to it.

Mr. HALLEY. How did you manage to get your pinball machines, let us say, installed in various places?

Mr. MOORE. I just told you, I had nothing to do with the operation of it. With me, it was just going in it to help some people out. I know nothing about that kind of business. In fact, I wasn't even interested in it.

Mr. HALLEY. Did Mr. Wortman operate actively in the field?

Mr. MOORE. A young fellow named Barts worked it.

Mr. HALLEY. What did Wortman do?

Mr. MOORE. I couldn't tell you what he did.

Mr. HALLEY. You have no knowledge of it?

Mr. MOORE. I didn't frequent the place, because to me it was just a waste of time. I didn't like the business, didn't know anything about it, and didn't have time to learn it.

Mr. HALLEY. The business involves putting these machines in a lot of places.

Mr. MOORE. I understand what it involves, and I understand what you are getting at, but I know nothing about it; and the fact of the matter is, the method that you are hinting at, I wouldn't be a party to, and I never solicited any trade.

Mr. HALLEY. Still, it might have existed without your knowing it, since you have just testified you don't know anything about it.

Mr. MOORE. That is precisely correct, I never had anything to do with the operation of that business.

The CHAIRMAN. Let me ask, what is the name of the company you got the juke boxes from?

Mr. MOORE. Wurlitzer, a national institution, that is a national institution.

The CHAIRMAN. Do they allocate any territory——

Mr. MOORE. To the distributor, but not to the individual who buys the juke boxes.

The CHAIRMAN. What was your territory allocated here?

Mr. MOORE. I don't think you understand, Senator.

The CHAIRMAN. Maybe I do not.

Mr. MOORE. Here is the thing. A distributor is allocated a territory. In other words, a distributor is like a distributor for an automobile firm. He gets all of them, and then the little retailer buys them from him, and you can put them any place you want, but the distributor can sell only, for instance, in, like southeast Missouri, or northeast Missouri, or southern Illinois.

The CHAIRMAN. What was National?

Mr. MOORE. Just operated in St. Louis.

The CHAIRMAN. Who was the distributor for this territory?

Mr. MOORE. Pete Brandt. He still is.

Mr. HALLEY. What was your total investment in Hyde Park?

Mr. MOORE. Mine? About \$2,500.

Mr. HALLEY. When did you make that investment?

Mr. MOORE. When we bought the building.

Mr. HALLEY. It has been a pretty good investment, hasn't it?

Mr. MOORE. Yes, but I don't think you understand quite how it was. You see, old man Soy was my partner. When old man Soy died, that is how I came into it. I was in there for years. I had known Soy for years.

Mr. HALLEY. Who was he?

Mr. MOORE. He was a Democratic leader for years, John T. Soy. He was a recognized leader here for years, born and raised in St. Louis.

Mr. HALLEY. A St. Louis Democratic leader?

Mr. MOORE. He is dead. Yes, he was for years.

Mr. HALLEY. Did he get you into this business?

Mr. MOORE. That is right. I got myself and Howard Quinn in.

Mr. HALLEY. How did you two get in, with the idea that you could give them some political protection?

Mr. MOORE. No, no. He was running the place.

Mr. HALLEY. Soy ran it?

Mr. MOORE. Soy owned 50 percent of the building.

Mr. HALLEY. Of Hyde Park?

Mr. MOORE. That is correct.

Mr. HALLEY. Of the building?

Mr. MOORE. Of the building. It was closed. It wasn't running then. Of the premises.

The CHAIRMAN. What county is that in?

Mr. MOORE. Madison. That is in Illinois, however, not in Missouri.

Mr. HALLEY. Why do you operate in Illinois rather than in Missouri in a situation like that? Is it that the police are more vigilant in Missouri?

Mr. MOORE. I couldn't tell you, unless it is like Mahatma Gandhi, that they only offer passive resistance to your efforts.

Mr. HALLEY. You mean in Illinois?

Mr. MOORE. That is right.

Mr. HALLEY. Where efforts have been made to open large-scale gambling enterprises in Missouri, have the police been more enterprising in closing them?

Mr. MOORE. I have never made an attempt to. I wouldn't know.

Mr. HALLEY. I take it you wouldn't attempt it if you felt it wouldn't be successful. Am I correct in my conclusion?

Mr. MOORE. That would kind of make me qualify as an expert. The presumption would be that; yes.

Mr. HALLEY. Mr. Moore, I think you are qualified as an expert.

Mr. MOORE. Not for Missouri, never.

Mr. HALLEY. Haven't you lived in Missouri?

Mr. MOORE. Oh, yes. I still live in Missouri. Born and raised in St. Louis.

Mr. HALLEY. And old man Sawyer?

Mr. MOORE. S-o-y, old man Soy.

Mr. HALLEY. He was a St. Louis man?

Mr. MOORE. Born and raised here.

Mr. HALLEY. You are now qualified in Missouri, too.

Mr. MOORE. No; I never operated in Missouri.

Mr. HALLEY. Let's be a little more serious about it. On your \$2,500 investment, you in 1949 paid a tax on \$17,869, is that right?

Mr. MOORE. There is more to the investment than you think.

Mr. HALLEY. Go ahead.

Mr. MOORE. I mean, it was closed when I bought it.

The CHAIRMAN. I take it that you also spent some time there, did you not?

Mr. MOORE. Oh, yes, surely. Yes. I had to spend some time.

Mr. HALLEY. In 1948, what was the gross return?

Mr. MOORE. Staley gave it to you.

Mr. HALLEY. The net there was \$670,801, is that right?

Mr. MOORE. That is substantially it. If that is a copy, those figures are correct.

Mr. HALLEY. In that year, your share was only 5 percent, \$32,992, is that right?

Mr. MOORE. That is right.

Mr. HALLEY. And in 1947, the net was \$657,000, is that right?

Mr. MOORE. That is right, substantially.

Mr. HALLEY. Your 5 percent paid you something like——

Mr. MOORE. You will find it on the right, a way over there.

Mr. HALLEY. I find the net here, but I don't find your name there.

Mr. MOORE. Yes; it has to be on there.

Mr. HALLEY. Here it is. You have changed places. Did you have 10 percent in 1947?

Mr. MOORE. That is right.

Mr. HALLEY. You got \$65,716.

Mr. MOORE. That is right.

Mr. HALLEY. What happened? How did you get down from 10 to 5 between 1947 and '48?

Mr. MOORE. As they move people in and out, you take what you can get.

Mr. HALLEY. There is more to it than that.

Mr. MOORE. No, there is not. None of those partners put any money in there.

Mr. HALLEY. Who decides who gets what?

Mr. MOORE. You take what you can get out over there.

Mr. HALLEY. How do you get it? Do you go in and use a gun? You don't.

Mr. MOORE. No: I am not the gun type. I just carry a fountain pen.

Mr. HALLEY. There it is. You don't use a gun to get the 10 percent instead of the 5?

Mr. MOORE. That is right, but you keep harmony. In order to keep harmony, you try to take what you can get and do the best you can. Otherwise, you don't run.

Mr. HALLEY. Of course, it is better to run and to get less, than not run at all.

Mr. MOORE. That is right.

Mr. HALLEY. But that is not the story, and it just hasn't made sense yet, Mr. Moore.

Mr. MOORE. Tell me what you want. I don't know what more I can tell you.

Mr. HALLEY. I want to know what happened that resulted in your going down from 10 to 5.

Mr. MOORE. They wanted to put other people in there and give other people a break.

Mr. HALLEY. Who were the other people?

Mr. MOORE. The different partners. Bev Brown, for instance, wanted to put some people in there.

Mr. HALLEY. Is he a partner?

Mr. MOORE. No. Bev Brown is dead.

Mr. HALLEY. He wanted to put some people in?

Mr. MOORE. That is right.

Mr. HALLEY. What right would he have to put people in?

Mr. MOORE. Bev Brown was well liked. I personally would defer to his wishes any time. I have known him since I was a boy.

Mr. HALLEY. Also, he controls the wire service?

Mr. MOORE. He did.

Mr. HALLEY. That had something to do with it, didn't it?

Mr. MOORE. Naturally, but as a personal favor, before I would fall out with him or the whole thing, or have any dissension, I would withdraw from the thing.

Mr. HALLEY. What happened in 1947? Was it Bev Brown who created the problem?

Mr. MOORE. I think so.

Mr. HALLEY. Let's compare 1947 and 1948 and see who had what. In 1947, the partners split up \$666,978, is that right? That is what it shows.

Mr. MOORE. That is correct, then.

Mr. HALLEY. In 1948, they split up \$670,000, I believe, is that right?

Mr. MOORE. That would be substantially correct if it is in that report.

Mr. HALLEY. In 1947, let's compare them. In 1948, Connor had 17½ percent.

The CHAIRMAN. The same.

Mr. HALLEY. Quinn had 4 percent.

The CHAIRMAN. Same.

Mr. HALLEY. Quinn, K. H., had 6 percent. The first Quinn was John Howard, with 4 percent. The second Quinn was K. H., with 6 percent.

The CHAIRMAN. Same here.

Mr. HALLEY. Calcaterra had 5 percent.

The CHAIRMAN. The same here.

Mr. HALLEY. Whalen had 5.

The CHAIRMAN. Same here.

Mr. HALLEY. Kimik had 5.

The CHAIRMAN. Same here.

Mr. HALLEY. Walter Ruth had 7½.

The CHAIRMAN. Same here.

Mr. HALLEY. And Charles Ruth had 4.

The CHAIRMAN. Same here.

Mr. HALLEY. Hallanan had 4.

The CHAIRMAN. Same here.

Mr. HALLEY. Quinn, Frank J., had 4.

The CHAIRMAN. Same here.

Mr. HALLEY. Quinn, John J., had 5.

The CHAIRMAN. Same here.

Mr. HALLEY. Huston, Frank, had 5.

The CHAIRMAN. I do not see Frank Huston.

Mr. HALLEY. Was he a newcomer?

Mr. MOORE. I don't think you will find Huston in there. Huston is the one who ran the book.

Mr. HALLEY. He came in in 1948?

Mr. MOORE. Whatever year he shows. What year have you got, Senator?

The CHAIRMAN. I have 1947; he has 1948.

Mr. HALLEY. Did you have a book before Huston came in, a race book there?

Mr. MOORE. Oh, yes.

Mr. HALLEY. But Huston came in to run the book then?

Mr. MOORE. No, he was running the book then right along.

Mr. HALLEY. But he had no share in the general partnership?

Mr. MOORE. That is right.

Mr. HALLEY. Did the profits from the book go separate from the general profits?

Mr. MOORE. The report there is itemized.

Mr. HALLEY. He was running the book, but was he on a salary in 1947?

Mr. MOORE. He always got a salary. I think he got \$10 a day, always did.

Mr. HALLEY. But he got nothing else?

Mr. MOORE. After that, they gave him a percentage of it, 5 percent.

Mr. HALLEY. In 1947, he was getting \$10 a day?

Mr. MOORE. To the best of my knowledge, he was getting \$10.

Mr. HALLEY. And in 1948, he drew \$32,998?

Mr. MOORE. They gave him a percentage of the place, but they couldn't anticipate the revenue.

The CHAIRMAN. Apparently what happened is that they took 5 percent from you and gave it to him. Is that what happened?

Mr. MOORE. I don't necessarily think so. They had a reorganization there.

Mr. HALLEY. Let's see who else got reorganized.

Mr. MOORE. Why don't you check the names there?

Mr. HALLEY. Kilcullen, 7½.

The CHAIRMAN. Same here.

Mr. HALLEY. Henry, Simon Henry, 7½.

The CHAIRMAN. Same here.

Mr. HALLEY. Thayer, 5.

The CHAIRMAN. Same here.

Mr. HALLEY. Wall, 3.

The CHAIRMAN. Same here.

Mr. HALLEY. Moore, Gregory, 5. Apparently the only one who got reorganized was you, Mr. Moore.

Mr. MOORE. No, you will find some reorganizations there.

Mr. HALLEY. We have just finished going over them. All percentages are the same.

Mr. MOORE. My percentage was 5 percent. That is my percentage.

Mr. HALLEY. Except that in 1948 you were cut from 10 to 5, and that 5 went to Frank Huston.

Mr. MOORE. I guess it did, but I only get 5 percent.

Mr. HALLEY. Then you gave half of yours to Frank Huston?

Mr. MOORE. I didn't give it. I was just allotted 5 percent.

Mr. HALLEY. Somebody muscled in on you, as you say in the trade.

Mr. MOORE. No, there is no muscling. Any muscle, I quit. There is no muscle. If I can't get along, I withdraw.

Mr. HALLEY. We obviously are not going to have time, Mr. Chairman, to go into this at great length, but for the record, and bearing in mind that you are under oath, I think all we have time to do is to ask you specifically and in detail, now, please, to state to the committee the circumstances under which your interest in the Hyde Park Club, also known as John T. Connor, et al., doing business, and also as a Club, 804 and 826, Venice, Ill., was cut from 10 percent in 1947 to 5 percent in 1948.

Mr. MOORE. They simply wanted to take care of Huston, and they reorganized and gave Huston 5 percent because he was running the book, and thought he was a valuable man, and they just gave me 5 percent. That is all I get.

Mr. HALLEY. Who made that decision?

Mr. MOORE. I don't know. Whoever made the decision, I wasn't the big mogul over there; I took whatever they gave me.

Mr. HALLEY. With whom did you discuss it?

Mr. MOORE. I didn't have any general discussion. They just reorganized.

The CHAIRMAN. Who is "they"? Who was the "big mogul," Mr. Moore?

Mr. MOORE. The partners in general.

The CHAIRMAN. Did they have a partnership meeting and talk it over?

Mr. MOORE. I never attended any meeting.

The CHAIRMAN. Who advised you that you had been cut? That is a big cut that you took.

Mr. MOORE. That is true, but that is all I have got, just the same.

The CHAIRMAN. Who advised you?

Mr. MOORE. Offhand, I couldn't tell you who advised me.

The CHAIRMAN. Did anybody in Chicago advise you?

Mr. MOORE. I don't know anybody in Chicago.

The CHAIRMAN. How did you get advised, by letter?

Mr. MOORE. No.

The CHAIRMAN. I would imagine if they were cutting you in half, one year you got \$32,000, and cutting you in half, you would have raised a pretty big stir about it.

Mr. MOORE. We couldn't anticipate the future. It is a daily proposition; you run from day to day.

The CHAIRMAN. Why did you not tell them to cut somebody else?

Mr. MOORE. I didn't have too much to say over there. If I didn't have an interest in that building I wouldn't even be a partner.

Mr. HALLEY. Here is John T. Conner, who had 17½ percent, and he didn't take any cut at all.

Mr. MOORE. He didn't have to.

The CHAIRMAN. Why did he not have to?

Mr. MOORE. He is probably the biggest fellow over there.

Mr. HALLEY. What makes a fellow big over there?

Mr. MOORE. I couldn't tell you. I just got in through Soy, and if I didn't own a part of that building the chances are I never would have been in there.

Mr. HALLEY. Let me ask you a factual question, to which you can give a factual answer susceptible of proof or disproof at some later time. With whom did you discuss the question of the cut in your percentage in the Hyde Park Club?

Mr. MOORE. I don't think there was a general discussion. When they opened and closed intermittently—

Mr. HALLEY. That is not the question. With whom did you have any discussion?

Mr. MOORE. Offhand, I think they all talked about it, Calcaterra, Connor, and all of them.

Mr. HALLEY. Did you talk about it with any of the people associated with Pioneer?

Mr. MOORE. No. Bev Brown—

Mr. HALLEY. Did you talk about it with Molasky?

Mr. MOORE. No; I haven't seen Molasky. Bev Brown was always trying to intercede for people to get them in there.

Mr. HALLEY. Did you talk with Bev Brown about Huston's interest?

Mr. MOORE. I wouldn't say definitely that I did, but Brown was always around there trying to get people in there.

Mr. HALLEY. Did you have any discussions with Brown about your giving up 5 percent to Huston?

Mr. MOORE. Yes. He just said, "Can you get some people in?" And I said, "That won't amount to anything, but whatever you want to do, it is all right with me."

Mr. HALLEY. Did you have any discussions of that with Frank Wortman?

Mr. MOORE. None whatever.

Mr. HALLEY. Any whatsoever?

Mr. MOORE. None whatever, and I have known him since he was a boy.

Mr. HALLEY. You did not at any time discuss your percentage with Wortman?

Mr. MOORE. No, sir; never did.

Mr. HALLEY. Now, will you state what discussions, precisely, you had with Bev Brown?

Mr. MOORE. I never had any precise discussions, but, for years, when we would open and close intermittently, Brown would always ask to see if he could get somebody in there.

Mr. HALLEY. Was this about the time Brown was operating over in Illinois?

Mr. MOORE. It was even before that.

Mr. HALLEY. No; now. Huston came in in 1948.

Mr. MOORE. I mean Brown was dickering; Brown was always dickering, trying to get people in over there.

The CHAIRMAN. One further question. Did they pay you anything for this 5-percent increase?

Mr. MOORE. It is on the income tax.

The CHAIRMAN. I mean, in addition to the 5-percent part of the profit, did you get \$10,000 or \$1,000 on the side?

Mr. MOORE. No; not a quarter. All those partners in there never put any money up.

The CHAIRMAN. How do you get police protection over there? Do you pay anything for that?

Mr. MOORE. No, sir; I never paid a dime.

The CHAIRMAN. You mean you did not?

Mr. MOORE. If there was any money paid, I know nothing about it.

The CHAIRMAN. You could not operate without some kind of understanding with the police, could you, and the sheriff?

Mr. MOORE. I don't know those people over there.

The CHAIRMAN. All right, Mr. Moore. It may be that we will want to go over some of these records with you at another time.

Mr. MOORE. That will be fine. I will be glad to.

The CHAIRMAN. For now, that will be enough.

Mr. WHITE. I have just one question.

In closing, I thought I would tell you that I talked to John Connor about a week ago.

Mr. MOORE. That is right.

Mr. WHITE. I asked him what the various partners did in this and why they were in there. He said he needed the other partners, including you, like he needed another hole in the head. So what do you think he meant by that?

Mr. MOORE. I am not concerned.

Mr. WHITE. Did he mean that you were superfluous and he didn't need you at all, that you were forced upon him?

Mr. MOORE. I don't know.

Mr. HALLEY. Your subpena, as you understand from the chairman, is simply adjourned. You are subject to call by the committee.

Mr. MOORE. I will be around.

Mr. HALLEY. You are continuously under subpnea.

Mr. MOORE. I will be around.

Mr. HALLEY. Thank you.

The CHAIRMAN. That is all, Mr. Moore, and thank you.

Mr. SIGOLOFF. I wish to make a slight correction for the record, and I want my man here to hear it.

The CHAIRMAN. Surely.

Mr. SIGOLOFF. Senator and Mr. Halley and Mr. White, Mr. Schneider, who testified previously—and he is slightly hard of hearing—mentioned the fact that in answer to a question as to the number of times he was arrested in St. Louis, he said to me that he had been

arrested, he thinks, about three times, and he wants to make that correction.

Also, in connection with the amount of business that Melba did, his impression is—and maybe he is correct—that it is how much that company does at the present time and has done since—

Mr. SCHNEIDER. That was the way I understood the question.

Mr. SIGOLOFF. But it did a great deal more previously?

Mr. SCHNEIDER. Yes, sir.

Mr. SIGOLOFF. He tells me that one year they did as much as \$800,000 in business; is that right, Mr. Schneider?

Mr. SCHNEIDER. Yes, sir.

The CHAIRMAN. Does that mean the total take?

Mr. SCHNEIDER. Between \$800,000 and \$900,000.

The CHAIRMAN. That meant the total take?

Mr. SCHNEIDER. Yes, sir.

The CHAIRMAN. We appreciate that.

Will you call Mr. Foster?

Do you solemnly swear the testimony you will give this committee will be the whole truth and nothing but the truth, so help you God?

Mr. FOSTER. I do.

**TESTIMONY OF GORDON FOSTER, ACCCOMPANIED BY ROBERT RUTLEDGE AND GEORGE HENDRICKS, ATTORNEYS, EAST ST. LOUIS, ILL.**

Mr. RUTLEDGE. My name is Robert Rutledge, attorney from East St. Louis, Ill.—335 Murphy Building, East St. Louis.

Mr. HENDRICKS. My name is George Hendricks, 120 North Main Street.

The CHAIRMAN. Mr. Foster is well represented, I can see that.

Mr. RUTLEDGE. George Hendricks' father is his attorney. His father had to be in court today, so he asked me to come over. George is just a year out of law school.

Mr. HALLEY. You are Gordon Foster?

Whose records are these?

Mr. RUTLEDGE. The corporate records of Reliable News Service.

Mr. HALLEY. Is that all you have?

Mr. RUTLEDGE. That is all we have.

Mr. FOSTER. At the time I was subpennaed, it was approximately 4:30 in the afternoon. Therefore, I had no time. This is the only records I had available in my personal—

Mr. HALLEY. You brought whatever you have?

Mr. FOSTER. Yes, sir.

Mr. HALLEY. Are there others?

Mr. FOSTER. There are others; yes, sir.

Mr. HALLEY. Will you produce them before the committee investigator, Mr. White, at his call next week?

Mr. FOSTER. I will be glad to.

Mr. HALLEY. Can we have a stipulation to that effect, sir?

Mr. RUTLEDGE. The records—may I make this statement: I understand the records are in the hands of an auditor—

Mr. FOSTER. That is correct.

Mr. RUTLEDGE. Who has moved, and who he is trying to locate.

Mr. HALLEY. What is his name?

Mr. FOSTER. George Frank.

Mr. HALLEY. Of St. Louis?

Mr. FOSTER. Yes.

Mr. HALLEY. Is it stipulated that at the request of Mr. White, those records will be made available?

Mr. FOSTER. That is correct.

Mr. HALLEY. The records now produced are hereby offered in evidence.

Mr. WHITE. I have looked these records over, and don't think we will require them. Rather than have them cluttering up our files and taking the chance of losing them, I would rather return them to him.

The CHAIRMAN. Are you operating now?

Mr. FOSTER. No, sir.

The CHAIRMAN. When did you quit?

Mr. FOSTER. To the best of my knowledge, I believe it was August 30, 1947. If my attorney may consult the minute book, I can give you the exact date.

The CHAIRMAN. All right.

Mr. Foster, it may be that we will want to ask you some more questions about this operation, and in the event we do, we can get in touch with you or with one of your attorneys?

Mr. FOSTER. That is right.

The CHAIRMAN. That will be all for now.

Call in all those who have been subpoenaed and not heard as yet.

Gentlemen, the committee and the staff are faced with the problem of having to catch a plane for Kansas City in just about 1 hour. We had hoped to talk with all of the witnesses here today. Of course, we are not going to be able to do it. We have not had dinner, and we have to go. I know you have not, either. I am sorry to have inconvenienced you, but I have to ask that those of you who have not testified remain under subpoena, and when we do call you we will try to arrange it so as not to inconvenience you again. You have been very patient and diligent today.

Mr. White, will you check off and see who is here, in order that we can have that information?

Mr. WHITE. I think we have Inspector Sweeney and Captain Baltezor here, of the East St. Louis police. We have Leonard Davis, the mayor. Chief Fraundorf here. Steve Maeras, the mayor of Madison. We have Steve Ryan; and John Vitale?

Mr. VITALE. Here.

Mr. WHITE. Tony Knewitz?

Mr. KNEWITZ. Here.

Mr. WHITE. George Morton?

Mr. MORTON. Here.

Mr. WHITE. Charles Goldberg?

Mr. GOLDBERG. Here.

Mr. WHITE. Ed Hammer?

Mr. HAMMER. Here.

Mr. WHITE. Is there any witness here whose name I haven't called?

Mr. MATTHEWS. Joseph Matthews.

Mr. WHITE. I am sorry, sir.

The CHAIRMAN. Is there anyone's name that Mr. White has not called? [No response.]

Mr. White will be back here next week, and when he calls upon any of you, if you will give him such information as he wants, I think we might avoid having to bother any of you about coming back to a future committee meeting. I would ask that you do that.

I do want to apologize to you for keeping you here all day, but we have just met with a situation that is beyond our control. We have done the best we could.

If Mr. White can call on you and you give him the information he wants, if you will do that, that will probably avoid the necessity of another appearance.

Thank you very much, and I am sorry to have kept you here all day. The committee meeting is now adjourned.

(Thereupon, at 8:10 p. m., the committee recessed, to reconvene at 10 a. m., Wednesday, July 19, 1950, at Kansas City, Mo.)



# INVESTIGATION OF ORGANIZED CRIME IN INTERSTATE COMMERCE

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WEDNESDAY, JULY 19, 1950

UNITED STATES SENATE,  
SPECIAL COMMITTEE TO INVESTIGATE  
ORGANIZED CRIME IN INTERSTATE COMMERCE,  
*Kansas City, Mo.*

## EXECUTIVE SESSION

The committee met, pursuant to recess, at 10:30 a. m., in District Court Room No. 3, United States Court House, Kansas City, Mo., Senator Estes Kefauver (chairman) presiding.

Present: Senator Kefauver.

Also present: Rudolph Halley, chief counsel; George H. White, and John N. McCormick, investigators; Max H. Goldschein, special assistant to the Attorney General; James W. Connors, St. Louis Crime Commission; Arlon Wilson, Kansas City Crime Commission.

The CHAIRMAN. The meeting will come to order.

Gentlemen, this is the beginning of a hearing of the Special Committee of the United States Senate established pursuant to Senate Resolution 202 for the purpose of investigating organized crime as it operates in interstate commerce, to make a study of whether organized crime utilizes the facilities of interstate commerce, which is in violation of the law of the United States or the law of the State in which it occurs, also to make an inquiry, if that is established, into what political influences, if any, are found with law-enforcement officers or public officials.

This particular hearing is authorized to be held by a one-man subcommittee pursuant to a resolution which will be read into the record at this point.

(The resolution follows:)

Be it and it is hereby resolved that the chairman be and he hereby is authorized to designate subcommittees for the purpose of holding hearings at Miami, Fla., on July 13 and 14, 1950; at St. Louis, Mo., on July 18, 1950; and at Kansas City, Mo., on July 19 and 20, 1950, or at such other time as the chairman may specify, and that one member of the subcommittee so designated shall constitute a quorum for the purpose of conducting such hearings, administering the oath and taking testimony of witnesses appearing before it, and taking such other action as may be appropriate.

The CHAIRMAN. I think it may be well in the beginning to make a short explanation of just what the purpose of this inquiry is and the scope and what we expect to accomplish.

In the first place, the committee wishes to express its appreciation to Judge Richard Duncan for the use of this beautiful courtroom and

the judge's chambers. Judge Duncan and the chairman served together in the House of Representatives for many years some time back. We are also grateful to the district attorney, Mr. Sam Wear, for his cooperation; to the marshal, Mr. Canfield, and the members of his staff for their splendid cooperation in helping us in every way possible. Mr. Lee Hayes, with the judge, is going to assist us during the time we are here.

Of course, the purpose of the investigation is to determine whether in the Nation there are organized syndicates which are detrimental to the country, which operate in violation of law, and which have an evil influence upon government in general. The committee has had many hearings before this one, and we are trying to put together the pieces and the bits of evidence to establish the situation.

It will be apparent to anyone that in our consideration we cannot investigate every criminal activity in every section of the United States. That is not our province. We are not trying to take the place of the district attorney or of any law-enforcement officer, any State prosecuting attorney. We want to work with and to cooperate with all of these people, and we have done so and will continue to do so.

The purpose of our inquiry is necessarily limited to getting a picture to determine whether or not any Federal laws should be amended, as to whether or not any other Federal laws should be passed to assist the States and local communities in handling some aspect of the organized crime problem that is properly within the jurisdiction of the Federal Government.

I think it should be stressed also that this is not an effort to take over by the Federal Government any prerogative or jurisdiction of local communities and States. We all know, and it is very academic of course, that the primary responsibility for law enforcement is local, that people in the communities, cities, counties, and States are going to have good law enforcement only if they are interested and do something about it locally.

So it is only the bigger matters or the big scope of activity that we can hope to get into.

We also don't want the public to get the impression from the fact that a person may have been called as a witness that that characterizes anyone who is called to testify as a racketeer or law violator because we call all kinds of people, everybody whom we think can give us information.

The committee has had some of its top investigators in Missouri and Kansas City for several weeks to try to get as much information as we are able. This hearing is going to be executive today and tomorrow. We hope to finish up tomorrow. That follows our usual practice of having executive hearings first and then trying to evaluate and to weigh and to ferret out the information that we get to see just what is important and what is not important and what should be presented in a public hearing. It also gives our investigators a chance to check records and to follow up leads and to get other information that may come out in executive hearings.

Also it is the intention of this committee to try not to throw around the names of innocent people or law-abiding citizens so that there will be damage done to them, and that is another reason why we try to go over what we have in an executive hearing before presenting it in

public. We don't want to hurt the name of any good person, but on the other hand if someone is engaged in an activity that is improper, we have no hesitancy in letting the public know about it.

In line with our resolution we are going to do the very best job that we can that has been assigned to us in Kansas City as we have tried to do elsewhere, to ferret out the facts and to present the facts. The committee has with it today our chief counsel, Mr. Randolph Halley; George White, who has spent a great deal of time in Missouri, who is a well known and a very capable investigator; Mr. John McCormick, who has been associated with Mr. White.

The chairman requested the Department of Justice to assign Mr. Max Goldschein, who has had some operation in the State of Missouri and in Kansas City during previous times, to sit with and to assist the committee during our time here. Mr. Goldschein already, upon the instructions of the Department of Justice, has given the committee a great deal of assistance in our deliberations in Washington.

The first thing that we will look into will be whether or not there is or has been illegal activities operated in interstate commerce. Any matter that may come up with reference to the jurisdiction of the committee for purposes of perjury or contempt, the committee of course will not only consider the testimony that may have been secured here but it will consider testimony that has been secured at other places that bears upon and reflects upon activities that have occurred in Kansas City, because this is not just a single investigation. It is a Nation-wide inquiry.

As to when the open hearing will be held will of course depend upon when we can get other members of the committee away from the rather urgent situation we have in Washington, also when the investigators and staff of the committee have had a chance to go over and to follow up any leads and to assimilate and make the preparations for an open hearing.

In our hearing now and later I want to make it clear that we are trying to do our job. Probably some people will get hurt. There is no intention to do anyone any damage just for the fun of it. We have been charged by the United States Senate with doing a job, and we are going to do our job fairly and fully without trying to persecute anyone and without whitewashing anyone. I think it should be made clear also that this whole problem is not a partisan one. As far as the committee is concerned, it is not one that involves politics. We want to present the facts, whatever they are, and let the chips fall where they may. That we will do.

I think all of the witnesses for whom we have so far issued subpoenas have been located by the very diligent effort of the marshal and the deputy marshal, except four witnesses.

Mr. HALLEY. They are Max Jaben, George Fatall, Nicolo Impostato, and Vincent Chiappetta.

The CHAIRMAN. If anyone has information about their whereabouts or if anyone can advise them that they are wanted for the hearing, I hope that they will be so advised and that they will report to the committee.

The chairman of the committee does not look with very much pleasure upon their efforts to avoid service. I am not saying that these people are trying to avoid service, but while we are here, cer-

tainly information will get to them that they are wanted, and I think it would be in their interest if they did appear, even though a summons may not have been served upon them.

We are very sorry to inconvenience the witnesses. We want to work it out so as to have some of you back tomorrow and not keep you here all day. I believe Mr. Halley has a list of those who will not be needed for the hearing today and who will report tomorrow. I think our hearing in the morning had better start at 9 o'clock, so our witnesses needed for tomorrow will report at that time.

Mr. HALLEY. The ones who will be excused for the remainder of the day but will report tomorrow morning at 9 o'clock are:

Walter Rainey; Tano Lacoco; George Fatall (he has not yet been served; and if he can be served, he should report in today to let the committee know that he is available); J. A. Purdome; Lloyd Cole; Harry Terte; representatives of the Jefferson City Bank; Nicolo Impostato; James Balestrere; Joseph De Luca; Frank De Luca; Max Jaben; Joe Di Giovanni, his brother, Pete Di Giovanni; John Blando; Paul Ferrantelli; and Joseph Patito.

The other witnesses the committee will try to reach today, and we ask that they remain.

The CHAIRMAN. Does anyone have any questions they want to ask, any members of the press, about any matter pertaining to the hearing?

I think we can plan on having a brief adjournment for lunch at 12:30; and if members of the press want to appear then, we may have some information or some announcement, anyway, at that time. Then the committee will adjourn at 6 o'clock this evening.

PRESS. Senator, will there be any open hearings at all here during the 2 days?

The CHAIRMAN. It is not contemplated at the present time that we will have any open hearings on this visit.

Those witnesses whose names have been read need not be here today. I do want to say, though, that if someone has some particular reason that, because of emergency, you cannot be here tomorrow, or if you would rather be here tomorrow instead of today, if you will let us know about it, we will try to accommodate you. We want to inconvenience people as little as we can.

So if any of you will get in touch with any member of the staff of the committee, we will try to work this out for you.

Mr. Canfield says there is a witness room for those of you who remain, and those whose names have been read that we will not need today will not be required to stay here today but will report tomorrow morning.

If there are no other questions, we will proceed into executive session.  
(The room was cleared at this point.)

The CHAIRMAN. Who is our first witness?

Mr. HALLEY. Robert Cohn, former police commissioner.

The CHAIRMAN. Mr. Cohn, do you solemnly swear the testimony you will give this committee will be the whole truth and nothing but the truth, so help you God?

Mr. COHN. I do.

The CHAIRMAN. Have a seat, sir.

**TESTIMONY OF R. ROBERT COHN, KANSAS CITY, MO.**

Mr. HALLEY. Your full name is Robert Cohn?

Mr. COHN. It is R. Robert Cohn.

Mr. HALLEY. And what is your address?

Mr. COHN. 310 East Sixty-seventh Street, Kansas City, Mo. My office address is 1664 Dierks Building.

Mr. HALLEY. What is your occupation?

Mr. COHN. I am an attorney.

Mr. HALLEY. Were you formerly a member of the board of police commissioners?

Mr. COHN. Yes, sir.

Mr. HALLEY. When did you leave that post?

Mr. COHN. On May 2, 1950.

Mr. HALLEY. What were the circumstances?

Mr. COHN. I was asked by the Governor to resign. I refused to resign because I was not guilty of official misconduct. So I was fired.

Mr. HALLEY. What were the reasons stated to you for your being discharged?

Mr. COHN. There were no reasons given. In fact, the Governor offered me two other positions.

Mr. HALLEY. What were they?

Mr. COHN. One, a member of the Industrial Commission of Missouri, of which I formerly was a member, and also on some veterans job to take part time.

Mr. HALLEY. Were these positions offered to you publicly as a matter of public record?

Mr. COHN. No, sir.

Mr. HALLEY. As a matter of public record were any reasons stated for your being discharged?

Mr. COHN. We had two slayings here, Charles Binaggio and Charles Gargotta, which added to a list of what we call spot murders, and the local press and certain people were upset about conditions here. The chamber of commerce I think adopted a resolution or sent a committee to the Governor stating that the people had lost confidence in the Police Board of Kansas City and that they ought to have a new board. Subsequently the committee of the chamber of commerce conferred with Col. Hampton S. Chambers, another member of the board and myself and later advised the Governor by committee that they were removing any objections as far as Colonel Chambers and myself were concerned, that we should be retained. However, the other two members of the Board—the Governor had obtained their resignations in the meantime, so he wanted all of us to resign.

Mr. HALLEY. Did you all resign?

Mr. COHN. No, sir: Colonel Chambers and I did not resign. We were ousted, fired.

Mr. HALLEY. The others resigned?

Mr. COHN. Yes, sir.

Mr. HALLEY. Would you state when you first became a member of the police board?

Mr. COHN. I was appointed by Gov. Phil M. Donnelly, in October of 1947.

Mr. HALLEY. Did you serve continuously until the date of your being dismissed?

Mr. COHN. That is correct.

Mr. HALLEY. Following the election of Governor Smith in November of 1948, did you receive a phone call from one John K. Noonan?

Mr. COHN. Yes, sir.

Mr. HALLEY. He is known as Pat Noonan?

Mr. COHN. That is correct.

Mr. HALLEY. Would you state the place where you received the call?

Mr. COHN. He called me at my home. I want to be correct on the date. It was after the election but before Governor Smith took office, which was on January 10. I would say he called me at my home.

The CHAIRMAN. What year, Mr. Cohn?

Mr. COHN. That was the latter part of 1947, no, it would be 1948.

The CHAIRMAN. How long had you known Noonan?

Mr. COHN. I have known Pat Noonan since 1917 when we served together in World War I.

Mr. HALLEY. Would you state the telephone conversation?

Mr. COHN. As I recall, he stated that he had been in conference with the governor-elect and that my name was mentioned, or he suggested my name as a member of the Kansas City Board of Election Commissioners. He thought it would be a good idea for me to accept that because it was a 4-year job and was a Republican job, whereas being on the police board was nonpolitical and paid more money and would not interfere with my law business. I thanked him for his interest in me. He evinced his interest as being a war buddy. I told him that I liked my police work and was making a lot of friends and enjoyed it, and I preferred to stay on as police commissioner. However, if the Governor felt I could be of better service to the State on the election board, I would accept it. That was my first conversation with Mr. Noonan.

Mr. HALLEY. Did he follow up on that conversation?

Mr. COHN. Yes. Several weeks later, I can't give you the exact time, he happened to be in Kansas City, I think it was before Christmas or right around that time, and he told me that he delivered my message to the Governor and the Governor said I could remain on the police board if that was where I wanted to be.

Mr. HALLEY. Can you just fill in for the committee on who Pat Noonan is, what his relationship is to this situation which would make a phone call from him of any importance in connection with that matter?

Mr. COHN. At the time of the original call I didn't think much of it other than the fact that we were both comrades and served together in the World War and were active in the American Legion together, but later, without getting any hearsay, which was confirmed by subsequent events, it was an effort, I thought, to get me off the police board so another appointment could be made.

Mr. HALLEY. What happened? What were the subsequent events that gave you that impression?

Mr. COHN. The subsequent events were that shortly after Governor Smith was inaugurated I was approached by friends of the late Charlie Binaggio who suggested that I be on their team and to follow through the program they had planned.

Mr. HALLEY. Did they make clear what they meant by being on their team and following through with the program?

Mr. COHN. Under the set-up of the police board there are four appointed members by the Governor, and three make a quorum. As a matter of policy, changes of personnel and anything relative to police administration, it would take three members to set the pattern or adopt this policy. With Mr. J. L. (Tuck) Milligan on the board, a Smith appointee, as well as Sheridan Farrell, another commissioner, they had two police commissioners credited to the Charlie Binaggio group. It was necessary that they either obtain my vote and approval or Colonel Chambers in order to make the desired changes which would enable them to carry out their program.

Mr. HALLEY. Just quickly, who were on the board at this time?

Mr. COHN. At the time?

Mr. HALLEY. At the time of these conversations you are talking about in the early part of 1949?

Mr. COHN. Paul S. Hamilton was the chairman of the board and Roger S. Miller was a member of the police board at that time. This was the Phil Donnelly board when the first conversation took place. Of course everyone, though, was interested in waiting for Governor Smith to make his appointments and it wasn't until about May 9, of 1949, that J. L. (Tuck) Milligan and Sheridan Farrell were appointed to the board.

Mr. HALLEY. In the place of Hamilton and Miller?

Mr. COHN. That is correct.

Mr. HALLEY. Who else was on the board?

Mr. COHN. Colonel Chambers, myself, and Mayor William E. Kemp, who as mayor was ex officio member of the board.

Mr. HALLEY. Did you have any conversation with Charles Binaggio at the inauguration?

Mr. COHN. Just a very short one, just merely he stated to me that he was glad I was on the police board and he hoped I would be on their team. No details or anything along that line.

Mr. HALLEY. Where did he say that?

Mr. COHN. In one of the rooms, the lobby of the Governor Hotel at Jefferson City.

Mr. HALLEY. You said then that you heard from friends that there was this desire to work out the police board. Who were the friends and what was the conversation?

Mr. COHN. My first contact was a businessman by the name of Harman Rosenberg who operates the Midland Lithographing Co. here in Kansas City. He called me and asked me if I would have any objection to talking to Charlie Binaggio. Inasmuch as Charlie Binaggio was credited as the factional leader, I saw no objection, being a public official, to talking with him. I told Mr. Rosenberg that I would talk to Mr. Binaggio, which I did.

Mr. HALLEY. Where did you talk to Mr. Binaggio?

Mr. COHN. I talked the first time in Mr. Rosenberg's office. Mr. Rosenberg was not present. It was just Mr. Binaggio and myself.

Mr. HALLEY. At the office of the Midland Lithographing Co.?

Mr. COHN. Yes.

Mr. HALLEY. In Kansas City?

Mr. COHN. Yes.

MR. HALLEY. Were you left alone with Binaggio?

MR. COHN. That is correct.

MR. HALLEY. What was the conversation?

MR. COHN. Of course Binaggio started out—it so happened that Binaggio's father-in-law, Mr. Tony Bondon and I were in the Army together along with Pat Noonan in the One Hundred and Tenth Engineers. He talked about his father-in-law. He was glad I was on the board, he said, that his organization had done a great deal to elect Governor Smith and contributed to his campaign and to the victor belonged the spoils. He felt that his group was entitled to political patronage. He also felt the town was a little too dead and ought to be opened up, that he could give me the assurance that he would keep the town clean, that all they wanted to do was to operate two or three places to the exclusion of everybody else. He said that he thought that by doing that he could keep out-of-town gangsters out and keep the town fairly clean.

MR. HALLEY. Did he say how he proposed to accomplish that?

MR. COHN. He thought he should have a new chief of police, a change in the police personnel and have men in key positions on the police board or in the police department that would be favorable to him, who could be handled.

MR. HALLEY. Was there any discussion of Governor Smith at that time?

MR. COHN. Well, I told him that I did not approve of the program and suggested to him that if that was the program that his group had, that was the first knowledge I had of it and I certainly did not approve it and that I was serving under Governor Smith and if anyone was to give me those orders to do things like that, it would have to be the Governor. He assured me that the Governor would, if necessary.

MR. HALLEY. Was there anything else at that conversation?

MR. COHN. He made some offers. He suggested a consideration of going along with them, they would rather have me go along with them than Colonel Chambers. I told them inasmuch as I was a Republican member of the police board, and there were three Democrats on there, I couldn't see why he would call on me to join his team, as he called it. He said he preferred to do so, that my commission on the police board was for a longer period of time than Colonel Chambers, who was the other member, and that we had a lot of mutual friends, and so forth. He indicated that if I would go along, I would be in position to name Republican personnel to different State jobs or have anything I wanted. And also would be the recipient of some lucrative law business. Of course I turned a deaf ear to all of it and told him I wasn't interested. He insisted that I not give him a final "no" that he still wanted to talk to me about things of that kind.

MR. HALLEY. Did you give him a final "no" at that time?

MR. COHN. I thought it was final. He was quite persuasive. He said he would like to talk to me again and wanted to know if I would see him. I said: "I guess I will have to see you, but I don't think you are going to change my mind." He wanted to know if I wanted anybody else with me at the next meeting with him. I suggested Mr. Tuck Milligan, who is president of the board and Governor Smith's appointee.

MR. HALLEY. Then what happened?

Mr. COHN. A day or so later we did meet again with Mr. Binaggio at the same place. Mr. Milligan was there. He jumped on Mr. Milligan for Milligan's not telling me what their program was. He said: "You are going to have to get along with Bob, here, because we need him." Mr. Milligan then indicated that he would call me in and confide in me, and so forth and so on. That was about the extent of that, and more repetition of what I stated before, just trying to sell me on the idea that I should go along.

Mr. HALLEY. Was Milligan present at the second meeting, was the program repeated?

Mr. COHN. Yes, sir.

Mr. HALLEY. Would you give the detail as best you can of what took place in Milligan's presence?

Mr. COHN. Just the fact that we ought to have a new chief of police, that Chief Johnson didn't like the Italian people, couldn't be handled, that there ought to be some other changes made. The Republicans were holding down key spots in the police department and there ought to be some changes made. By inference, that there ought to be a few "spots" opened up, and so forth, just about the same as he told me. I can't recall the exact conversation that took place.

Mr. HALLEY. Was it repeated that, while most of the city would be kept clean, a few places would be allowed to remain open?

Mr. COHN. That is right.

Mr. HALLEY. And that they would be selected places.

Mr. COHN. That is right, by his group.

Mr. HALLEY. What was the outcome of that conversation?

Mr. COHN. There really wasn't anything other than Mr. Milligan agreed that on all matters of the police board he would consult with me as to what the program was, although there was no assurance from me that I would go along with any program. I agreed, possibly, that there should be some changes in personnel for the good of the department.

Mr. HALLEY. Can you go ahead with the next events in the chain of events leading to your dismissal?

Mr. COHN. Several weeks went by, maybe a longer period than that, and I got a call from Pat Noonan stating that he was in Kansas City at the Phillips Hotel and wanted to know if I would come up and see him. I was more or less reluctant to do so, but I agreed to come up there. He had a suite of rooms in the Phillips Hotel. After I was there just a short period of time, Charlie Binaggio came in. We sat there and visited, and finally they discussed the changing of certain key personnel. Binaggio again repeated the fact—he didn't say anything about opening up any joints or anything, but he thought that we could keep our present chief of police but we ought to have a new personnel director and we ought to move some captains around in different districts that were favorable to him; that we had possibly 135 civilian employees who were not under civil service but on a non-partisan basis, and he seemed to think his organization should have access and replace the civilian employees. That conversation was more or less along the line of personnel.

Mr. HALLEY. Was there any discussion of the Kansas City police law with reference to these jobs?

Mr. COHN. Yes. I explained to him that police officers could not belong to any clubs; that it was nonpartisan. The same law applied

to civilian employees. That it just could not be done. The police force was removed from politics.

Mr. HALLEY. In the meantime were any efforts made at the meetings of the police board to accomplish the changes about which you had been discussing with Binaggio?

Mr. COHN. Yes. Mr. Higgins was put in there as adviser to the board.

Mr. HALLEY. Will you give the committee the details about that? Who was Mr. Higgins?

Mr. COHN. Mr. T. J. Higgins was an old law-enforcement officer who had been on the police department in the thirties when Mr. T. J. Pendergast was prosecuted. I think Mr. Higgins was indicted for perjury.

Mr. HALLEY. Was he convicted?

Mr. COHN. No. The charges were later dismissed. He was away from the department for a good many years, although he had a very good record as a detective. The plan was, in view of the fact we had had some thirteen- or fourteen-odd "spot" murders, it might be well to get a man back who could work with stool pigeons and who had his own way of solving crimes, and it might be possible to at least solve one or two of these "spot" murders. This place was created for him as consultant to the board. He was given the title of superintendent and also given the assistance of the sergeant of detectives. That was the first step.

Mr. HALLEY. Did any of the members of the board oppose that appointment?

Mr. COHN. No; none of us did. Colonel Chambers and I voted for it more or less reluctantly. We got the impression, inasmuch as the suggestion came from Mr. Milligan, president of the board, and he was Governor Smith's appointee, that Governor Smith wanted it. Of course, we were not in position to disobey the Governor, and we did get some favorable reaction to the original appointment of Mr. Higgins by reason of his past work as a detective. So we went along on that and permitted him to be employed.

The CHAIRMAN. Did you know that that was an effort of Binaggio to get control in the police department?

Mr. COHN. Binaggio later told me that.

The CHAIRMAN. Did you know at the time?

Mr. COHN. No, sir.

The CHAIRMAN. Did you know that he had been indicted and had had this trouble before?

Mr. COHN. Yes, sir. I called that to the attention of Mr. Milligan, and at that time Mr. J. L. Tuck Milligan's brother was district attorney, Mr. Morris Milligan, and he helped prosecute those cases. Mr. J. L. Milligan told me that he checked with his brother and found out that Mr. Higgins was all right; that the indictment should never have been issued.

Mr. HALLEY. Did Mr. Milligan or Mr. Farrell advocate any other changes in the board during this period?

Mr. COHN. Not so much Mr. Farrell, but Mr. Milligan, which would include Farrell, because Farrell did everything and followed Mr. Milligan's actions. He suggested we have a new chief of police and submitted the name of John Braun, a man who had been on the department and who had been dismissed for violation of the rules and regu-

lations. The rumors were out on Fifteenth Street, where Binaggio's headquarters were, that several weeks before the name was submitted to me as a member of the police board Braun would be the next chief of police. The boys were almost betting as to when he would be appointed. I interviewed Mr. Braun, who presently is appointed as a guard out at the Ford Motor Co. I used to represent the Ford Motor Co. as their attorney, and I made a check and found he had a very good record that is in what he was doing at that time. I learned after interviewing Mr. Braun that he was not qualified to be chief of police. It was on that basis that I was able to sidetrack him. Mr. Binaggio later told me that he was very much interested in having Braun as chief of police because he could handle him.

Mr. HALLEY. You did have a later conversation, then, with Binaggio?

Mr. COHN. Yes, sir.

Mr. HALLEY. Will you state, then, when that was?

Mr. COHN. I have had a total of four conversations with him. It might have been at the time we were up in the room and Pat Noonan was there. I am not so sure; you see, I can't recall. It was either the time before—it was one of the occasions. I just can't give you the definite date.

Mr. HALLEY. What was the last conversation with Binaggio?

Mr. COHN. The last conversation took place in front of my home one evening in June; I think the latter part of June of 1949. He called me, very much excited, and wanted to know if he could talk to me and could see me. I said, "No, I am all undressed and relaxed." He said, "I live in your neighborhood. Would you have any objection if I would just drive over?"

I said, "Charlie, there is nothing for you and me to talk about. I have told you what my position is."

He said, "I have just got to see you. You will see me; won't you?"

So I said, "All right." He drove up in front of the house. I went out and sat in the car with him. He appeared to be very much distressed. He said he was on the spot; that the boys were behind on their schedule and were making it hot for him. It seemed like I was the only one who could help him, because he couldn't do anything with Chambers. Governor Smith had been in since January 10, and here it was more than half a year gone and nothing was moving. It looked like nothing could happen until at least Chambers' term expired to get one of their men on there to vote and work with them. He seemed very desperate, more so than I had ever seen him before. Like a bolt out of a clear sky, he pulled a roll of bills out of his pocket and threw them at me. It took me by surprise. I just tossed them back to him like it was a hot rivet. He sat there for a few seconds, speechless, and then said to me, "Bob, are you mad at me?"

I said, "No, but I am disappointed." That was the last time. Then he tried to apologize and change the subject and so forth. But he gave the very appearance of being on the spot. He gave the appearance of a man who was drowning. He did that—I don't think he intended to do it, but he did.

Mr. HALLEY. Did he say he was on the spot?

Mr. COHN. Oh, yes; he did.

Mr. HALLEY. Did he say why he was on the spot?

Mr. COHN. Well, he said the boys had been waiting to get going. And it was common knowledge, while he was the factional leader and was anxious for patronage in the way of jobs, still there was a certain segment of his following who were not interested in jobs. They belonged to these rackets. He just had to take care of them.

Mr. HALLEY. Had they done anything to warrant his taking care of them? Had they made contributions, or anything like that?

Mr. COHN. He indicated to me that they contributed to Governor Smith's campaign.

Mr. HALLEY. Did the mention any amounts?

Mr. COHN. No amounts. He didn't tell me who contributed or how much, but he said that they contributed not only considerable money but manpower to elect the Governor. Without saying definitely, he gave every indication or inference, at least, that the Governor knew about it and that was part of the consideration.

Mr. HALLEY. Did you ever talk to Governor Smith about this situation?

Mr. COHN. Yes; you see, these two new men went on the board on May 9, 1949. I gave the Governor every benefit of the doubt. I thought he should know what was going on. I discussed the matter with Chief Johnson and Colonel Chambers. I confided in Dwight Brantley, who was then special agent in charge. I have talked to other friends who urged me not to resign. When all that pressure was being applied, I felt there wasn't any point in my taking all the abuse and pressure. I felt, if they wanted me out of there, I might as well step out. Some of the good citizens of this community, including persons from the chamber of commerce and other law-abiding citizens, felt that that was the thing they wanted me to do and that I should stay in there. Chambers and I felt the same way, and we just stayed in there. In order to do that, we had to do some compromising in order to stay in. But I did go see the Governor.

Mr. HALLEY. You have just mentioned that you talked to various friends. To whom did you talk and discuss this matter?

Mr. COHN. I talked, as I say, to Dwight Brantley, the special agent in charge of this office at the time. I talked to Federal Judge Albert Ridge. I talked to several of the colonels on the Governor's staff who were lawyers and friends of mine. I talked to Leo Schwartz, who is a lawyer in this city. I talked to Elmo Hunter, who is presently one of the police commissioners appointed by the Governor and a colonel on his staff. I talked to Lyman Field, another lawyer who is a colonel on the Governor's staff. I talked to a number on the police department—Chief Johnson, Chief of Detectives Frank Collins.

Mr. HALLEY. Did you tell all of these people of your conversations with Charles Binaggio?

Mr. COHN. Yes; I think so. Maybe not every one in detail, but I just told them enough. I think with some of them I went into a little more detail than others.

Mr. HALLEY. Did you discuss it with Chambers?

Mr. COHN. Yes, sir.

Mr. HALLEY. And did Chambers tell you that he had had similar experience?

Mr. COHN. Yes; only I think they followed different tactics toward him. They used a different group to approach him.

Mr. HALLEY. You were saying that you did meet with the Governor.

Mr. COHN. Yes. As I say, I was distracted from my business and was losing a lot of sleep and worried, and I was about to resign. I made up my mind after talking to some of my friends, some of whom I have mentioned here, including Col. Dave Harrison, who is superintendent to the State highway patrol and a life-long friend of the Governor, that I thought I had better see the Governor and find out whether he knew it was going on. I went down there on July 6 after making an appointment for a secret meeting with him. I spent 2 hours and told him the whole story.

Mr. HALLEY. July 6? Is that 1949?

Mr. COHN. 1949; yes, sir. I told him who approached me, what was happening—

Mr. HALLEY. You saw him at his office?

Mr. COHN. Yes; at his office in Jefferson City.

Mr. HALLEY. You had a formal appointment?

Mr. COHN. Yes, sir.

Mr. HALLEY. Go ahead.

Mr. COHN. I told him the whole story, and he sat there in amazement. He said he knew the newspapers and the press were using that before he was nominated and elected. He thought it was just political propaganda. I explained to him after 20 years or better friendship with the Governor that I was there as a personal friend of his. I assured him that it was not political any more or propaganda, but it was real, that the pressure was on. I said I felt he should know about it, and if he subscribed to the program, of course, I just couldn't go along with it. Of course he very vociferously denied knowledge of it. He said he was for law enforcement. He didn't want me to resign. He wanted me to stay in there, that he wasn't obligated to anybody, that he had made no commitments to anybody.

Mr. HALLEY. Did you discuss Pat Noonan with him?

Mr. COHN. Yes; because Pat Noonan indicated to me in one or two conversations with him that he was the Governor's contact man, that he came to Kansas City to straighten things out for the Governor, and he was going to straighten things out in St. Louis, that they were having trouble with the St. Louis Police Board. He gave every indication that he was speaking for the Governor. At least he was his right-hand man or trouble-shooter. I think that is the way he put it.

Mr. HALLEY. Did you talk with the Governor about whether or not he was?

Mr. COHN. He tried to say he didn't know. He couldn't tell me he didn't know Pat Noonan because I knew different, but he said he hadn't seen him lately and didn't know what he was doing lately, more or less denied the fact that Noonan was a trouble-shooter.

Mr. HALLEY. Did you discuss Milligan with the Governor?

Mr. COHN. Yes; I told the Governor very bluntly and frankly that after watching Mr. Milligan's associations and his conduct on the board, while he was his personal appointee and life-long friend, that I felt Tuck Milligan was selling him down the river. Of course he disagreed with me but at no time did he attempt to defend Mr. Milligan.

The Governor was very appreciative, apparently, of my discussion with him. He told me more than once that he was glad I took the time out, and he wanted me to know that he was always for law

enforcement and he had no commitments to anybody and he wanted me to be there and do my bit toward enforcing the law.

Mr. HALLEY. Did you mention Binaggio specifically to the Governor?

Mr. COHN. Oh, yes, I did. I told the Governor about him offering me the money.

Mr. HALLEY. Did you tell the Governor about Binaggio's talking about the campaign contributions?

Mr. COHN. Yes, sir.

Mr. HALLEY. What was the Governor's comments on these matters?

Mr. COHN. Well, I don't recall just exactly; he said, "Well, Bob, you know I could have been elected without their help," which was probably true if you took into consideration the majority votes that he had. We both agreed that they probably tied up with him, that particular group, because he was a winner. Most of these folks were neither Republicans or Democrats. That element usually were attracted to winners whatever they were.

Mr. HALLEY. After talking with the Governor, did you talk to anyone else?

Mr. COHN. Yes. As soon as I got back to town I immediately got hold of Colonel Chambers and repeated my conversation and my discussion with the colonel. I got hold of Chief Johnson and told him the same. I felt pretty good after leaving the Governor and he told me he wanted all laws enforced and for me to stay in there and pitch. That gave me a little more encouragement to buck certain contemplated actions that were taking place in the board meetings.

Mr. HALLEY. Did various things happen within the police department at that time to indicate whether or not the law was being enforced properly?

Mr. COHN. We relaxed the rules as to the reemployment of men who were off the force for some reason or other. We extended the age limit and kind of broadened the qualifications, and as a result we had some reinstatements while we were short of manpower. The argument was used that we didn't have enough money to train new men and we had good experienced men who wanted to come back in the department. So there was a run of old-timers who were reinstated, and we later found out they had connections with that group that we are discussing here. There were certain changes made in key places in the police department which from their associations gave every evidence that they were very friendly to the Binaggio group and that element there that we are talking about.

Mr. HALLEY. Does your police law permit members of the police board to become members of political clubs?

Mr. COHN. They do not.

Mr. HALLEY. Is that expressly forbidden?

Mr. COHN. That is expressly forbidden.

Mr. HALLEY. Did any members of your police board become members of any political club?

Mr. COHN. This would be purely hearsay on my part, gentlemen, but I understand there were 60 or 70 who had joined that club.

Mr. HALLEY. You mean police officers.

Mr. COHN. That is right.

Mr. HALLEY. Would that apply to members of the board?

Mr. COHN. I can't say as to members of the board, but the same law applied to members of the board.

Mr. HALLEY. What clubs do you have in mind?

Mr. COHN. The Binaggio-McKissick-Clark Club, I think on Fifteenth Street. I don't recall their official names, whether it is the Jefferson Democratic Club or not. It is a club at Fifteenth and Holmes, I believe.

Mr. HALLEY. What happened next? Were you dismissed as you have indicated or were there further events?

Mr. COHN. Of course, there was a lot of argument through the newspapers as to different things, a lot of publicity. From here on I think the public is pretty well aware of the happenings, the events, that followed. I think I started out in the beginning by mentioning the Binaggio slayings on April 5 or 6 of this year was the starting of difficulties as far as I was concerned.

Mr. HALLEY. How many unsolved murder cases does the police force have at this time?

Mr. COHN. I think in the last 4 years probably 17 that they would call unsolved.

Mr. HALLEY. How many were solved?

Mr. COHN. I don't have my records. There was a larger number than that. With all due respect to what has occurred, I will say that we have had a good police department and still have. I think our average is as good as any city its size, compared to any other city of its size, according to FBI reports. There are certain types of murders that cannot be solved and have not been.

Mr. HALLEY. What types of murders are they?

Mr. COHN. What is commonly known as spot murders.

Mr. HALLEY. You mean gang-type murders?

Mr. COHN. Yes; that is right.

Mr. HALLEY. Prior to talking to this committee did you make statements of similar purport, first to the press?

Mr. COHN. I don't think I went into detail. I think the day I was fired by the Governor I made a statement to the press which was impromptu and I don't know how much I covered. I think some elements and facts were stated to the press that you have here today.

Mr. HALLEY. No further questions at this time, Mr. Chairman.

The CHAIRMAN. Mr. Cohn, you started legal proceedings to contest your dismissal?

Mr. COHN. That is correct.

The CHAIRMAN. That is with a writ of certiorari contending that the Governor had no right to dismiss you except for cause.

Mr. COHN. That is correct.

The CHAIRMAN. Has that case been decided?

Mr. COHN. Yes; I am sorry to say, the supreme court ordered the petition filed and 10 days later denied the writ, with no comment.

The CHAIRMAN. The supreme court is the highest court.

Mr. COHN. Of the State, that is correct.

The CHAIRMAN. Was that a unanimous opinion of the court?

Mr. COHN. There was no opinion rendered, Senator. I don't know, I haven't found out whether the court was divided or what. I was very much surprised after the court had accepted or ordered the filing of the petition, that the writ was denied with no comment.

The CHAIRMAN. How many days after the Binaggio-Gargotta slaying was it that you were removed?

Mr. COHN. If I remember correctly, the slaying occurred on April 6, and I was removed on May 2, of this year.

The CHAIRMAN. Did you talk with Governor Smith again immediately before your removal?

Mr. COHN. Yes; he phoned me the date he fired me. That is when he made one offer to me, made an offer of other employment.

The CHAIRMAN. He said there was a general demand that something be done?

Mr. COHN. That is right, that he had to have a new board. He appreciated my service and realized that if it had not been for Colonel Chambers and myself things could have been a lot worse. He appreciated the fact that we did keep the town closed down to the point where he was satisfied with it. But it wasn't so many days before that he gave us all a clear bill of health. He just felt that politically that was the thing to do. He appeared to be scared. He said, "I just have to have a new deal down there. I am sorry."

The CHAIRMAN. What did you tell him at that time?

Mr. COHN. I told him, "Governor, you apparently are looking out for Forrest Smith. I have to look out for Bob Cohn. I live in Kansas City. I was born and raised here. I have my family here. I am not going to resign. I have done nothing wrong. I am not going out with any stigma. If you have to fire me, you are going to do it, but I want to tell you I am going to make some statements when I leave this room and they are going to be the truth."

He said, "Bob, I don't blame you. You look out for Bob Cohn." That was my last conversation with the Governor.

The CHAIRMAN. All right, I believe that is all.

Mr. HALLEY. Thank you.

The CHAIRMAN. Thank you very much, Mr. Cohn.

Mr. COHN. I am glad to have met you gentlemen.

The CHAIRMAN. You are excused, sir. If we need you any more we will call you. You hadn't planned to go out of town or anything?

Mr. COHN. You mean today or tomorrow? I will be here tomorrow.

The CHAIRMAN. I did want to ask one further question. Did anybody besides Binaggio try to proposition you to join in loosening these things up?

Mr. COHN. It was Binaggio himself. Noonan talked to me. He was interested in patronage.

The CHAIRMAN. Did anybody else come to you?

Mr. COHN. No. I have been told by somebody who I would rather not mention that I was a damned fool for not doing so, everybody else was, but I mean nobody that had any contact, any direct authority to speak for any group—

The CHAIRMAN. How about this fellow Spitz?

Mr. COHN. I don't know Spitz. I think today up here is the first time I shook hands with him. I never knew him before. There were no members that I knew personally.

The CHAIRMAN. Did anybody write you a letter? Did you have any correspondence about it?

Mr. COHN. No correspondence.

The CHAIRMAN. Everything was oral?

Mr. COHN. That is correct. Binaggio was the man who wanted to talk with me. All the dealings with me were through Binaggio.

The CHAIRMAN. What kind of bills were those?

Mr. COHN. We had some legislation to increase—

The CHAIRMAN. I mean those bills that he offered you.

Mr. COHN. I couldn't see, Senator. It was a roll of bills I would estimate 2 inches thick. It had a rubber band around it, a round roll. I understood later that he was accustomed to carrying \$100 bills. How much 2 inches thick wrapped around the way he had it would amount to, I don't know.

The CHAIRMAN. Did they fly apart?

Mr. COHN. No, no; there was a rubber band around them. It was about the size of a broomstick, I guess.

The CHAIRMAN. What is your general law practice, Mr. Cohn?

Mr. COHN. I specialize in workmen's compensation litigation. I served under four Governors of this State.

The CHAIRMAN. On the police commission?

Mr. COHN. No; on workmen's compensation. I represent insurance companies and represent some labor unions. My work is all civil. I have no criminal practice whatsoever.

The CHAIRMAN. You have never been in trouble yourself?

Mr. COHN. No, sir.

The CHAIRMAN. Were you born here?

Mr. COHN. Born here.

The CHAIRMAN. How old are you, sir?

Mr. COHN. I was born September 17, 1898. I will be 52.

The CHAIRMAN. That is so old I wouldn't be able to figure.

Mr. COHN. Born right across the street on Missouri Avenue and Oak, right across the street from the old county jail. I have managed to keep out of it since.

The CHAIRMAN. All right, sir. If we need you any more we will call you.

Mr. COHN. I will be glad to cooperate with you in any way.

The CHAIRMAN. Thank you for your help.

Mr. COHN. All right, sir.

(Witness excused.)

Mr. HALLEY. Hampton Chambers, please.

Mr. COHN. I didn't mention Sam Wear when you asked me who I talked to. He is one of the gentlemen who suggested that I not resign.

Mr. SAM WEAR (United States district attorney). I knew what he was doing there. He was doing a good job.

The CHAIRMAN. Mr. Chambers, do you solemnly swear the testimony you will give this committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. CHAMBERS. I do.

#### TESTIMONY OF HAMPTON SMITH CHAMBERS, PRESIDENT HOTEL, KANSAS CITY, MO.

Mr. HALLEY. What is your full name?

Mr. CHAMBERS. Hampton Smith Chambers.

Mr. HALLEY. Where do you reside?

Mr. CHAMBERS. Kansas City, Mo.; President Hotel.

Mr. HALLEY. What is your occupation?

Mr. CHAMBERS. I am sales manager for Niles & Moser Cigar Co.

Mr. HALLEY. Were you formerly a member of the Kansas City Board of Police Commissioners?

Mr. CHAMBERS. Yes, sir.

Mr. HALLEY. Over what period of time did you serve on that board?

Mr. CHAMBERS. My 4 years were up October 14 of this year.

Mr. HALLEY. Did you serve your full term?

Mr. CHAMBERS. No. This year, October. So about 3 years and a half, I would say.

Mr. HALLEY. Under what circumstances did you discontinue service?

Mr. CHAMBERS. The famous Governor of the State fired me.

Mr. HALLEY. Governor Smith?

Mr. CHAMBERS. Yes, sir.

Mr. HALLEY. Did you resign or were you fired?

Mr. CHAMBERS. He asked me to resign and tried to get me to. He had me down there 2 days trying to get me to resign but I refused to resign.

Mr. HALLEY. You were dismissed?

Mr. CHAMBERS. Yes.

Mr. HALLEY. At that time the entire board was dismissed, is that right?

Mr. CHAMBERS. The other two resigned. Those two appointees of his resigned. I was not his appointee. I was an appointee of Phil Donnelly, the ex-Governor.

Mr. HALLEY. You and Robert Cohn were hold-overs, is that right?

Mr. CHAMBERS. That is right.

Mr. HALLEY. Governor Smith's two appointees were Milligan and Farrell?

Mr. CHAMBERS. Farrell and Milligan.

Mr. HALLEY. And the mayor served ex-officio?

Mr. CHAMBERS. The mayor, yes.

Mr. HALLEY. He served because of being mayor.

Mr. CHAMBERS. That is right. He didn't attend all the meetings. He could come in any time he wanted to and he had a vote.

Mr. HALLEY. Prior to your resigning was there some pressure from the chamber of commerce for a new police board, prior to your being removed?

Mr. CHAMBERS. Not at that time. The chamber of commerce asked for the resignations of Milligan and Farrell.

Mr. HALLEY. What position did the chamber of commerce take with reference to yourself and Cohn?

Mr. CHAMBERS. That I do not know except I was told by the president of the chamber of commerce and the committee who was with him—I met with them for pretty nearly a day after they came back from a meeting down there with the Governor. They said they didn't ask the Governor for our resignations. He asked if we should stay on, and that all they wanted to get was Milligan and Farrell off the board.

Mr. HALLEY. What is the name of the president of the chamber of commerce to whom you spoke?

Mr. CHAMBERS. Albert Waters. He is still president of the chamber of commerce.

Mr. HALLEY. Were there any events prior to your being fired and subsequent to Governor Smith's appointment relating to the composition of the board and the handling of the police department?

Mr. CHAMBERS. How do you mean now exactly on that?

Mr. HALLEY. Were there any suggestions made as to who should be chief of police, for instance?

Mr. CHAMBERS. No, there were not.

Mr. HALLEY. Were there any suggestions made as to how the police department was to be run?

Mr. CHAMBERS. Not to us.

Mr. HALLEY. To whom were they made?

Mr. CHAMBERS. I don't know that they were made to anyone except that—I don't know how to put that or exactly to tell you. The pressure was being brought for a chief of police, a new chief, a new captain and a new this, by the board and by people who handled his campaign here. That is how it was brought on. From him, from the Governor, of course we—he didn't tell us. We felt it came from him. But he didn't bring it himself.

Mr. HALLEY. Who was bringing the pressure?

Mr. CHAMBERS. The first pressure I got was Charlie Binaggio.

Mr. HALLEY. When was that?

Mr. CHAMBERS. I didn't know him. That was right about the month of February. Governor Smith went in in January. That is 1949, I think. In February he called and asked if he could talk to me. I said, "Why surely, anybody can talk to me. I am a public official."

He asked me if he could meet me in my room. I said "No, I will meet you down in the lobby of the hotel," which I did.

He said to me, "Are you going to play along with us or not?"

I said, "I don't know exactly what you mean."

He said, "We want another chief of police and we want this captain down in the No. 1 district removed and another captain put in there."

I said, "Well, I am not going to give you a new chief as long as this chief is doing the job he is doing. I am not going to change that captain, because he is honest, sincere, in that district."

He said, "Well, evidently you are not going along with us."

I said, "I don't care how you use it."

He said, "Well, the Governor will be having you down before long to talk to you."

I said, "That is all right. He can talk to me any time."

Then he mentioned about another change. I said, "Why don't you do this? Go back and get with your friends, whoever they are, and write down there all the changes you want in the police board and bring them back to me." I said, "Then we will know what is going on and we will make a study."

Of course I wanted to get it down on paper. This is what I wanted. He was smart enough not to do it.

He said, "Hell, I wouldn't do that."

I said, "Then if I don't know what is going to be done, all of it, I want the whole thing on here, what you want done, and then maybe we can talk about it later."

But he was smart enough. He didn't put it down in black and white.

Mr. HALLEY. Did he mention who his friends were that you and he were referring to?

Mr. CHAMBERS. No, he didn't mention them by name, no. He just mentioned to me that I would be called down there. I wasn't called down for some time after that. He called me about 4 days before I got a letter from Governor Smith. He said, "You are going to have a letter in the next 2 or 3 days.

Mr. HALLEY. Who called, you mean Binaggio?

Mr. CHAMBERS. Yes. Called me on the phone and told me "You are going to be called down in the next 2 or 3 days. You had better get right."

"I am not going to get right," I said, "and I am not worried about being called down."

I did get the letter. As soon as I stepped into Governor Smith's office I said to him, "It looks like you have some leak in this office somewhere."

He said, "Why?"

I said, "Your political friend in Kansas City called me on the phone 2 or 3 days ago and told me I was going to get this letter. Somebody evidently is telling something in here."

So he said, "No, I don't think it came from the office." That is all he would say. He never did say anything more about the letter. But I got the letter. He went on to ask me, How about the chief? How about the precinct? The police department? I told him about the police department. I told him that since he was elected it was not as good as it had been for the reason that the boys were uneasy, the policemen were, did not know whether they were going to keep their jobs or not. These politicians of his were running around telling them all that they were not going to keep their jobs. I said, "It makes it pretty bad." I said, "You can correct that if you will come down there and make a statement." I said, "If it will help you any, you can also say that you had me down here to fire me, if it will help you with your political friends in Kansas City, and that I told you that I would not quit, that you would have to fire me, and you had no ground to fire me on."

He said, "Hamp, I haven't got any grounds to fire you."

I said "All right, tell them anything you want because they don't mean anything to me, any of them."

Those are the words I told him. When I left there I went up to one State official's office after that and told him just what had happened, just what had taken place down there. I said, "Of course, when I came down I expected him to ask me to resign, which I should have done when he first went in." Some of my friends told me to do that, but I didn't. My other friends asked me to stay on.

I came back from down there. I didn't hear anything for 3 or 4 weeks. Once in a while I would get a telephone call saying, "You had better be careful how you drive that car."

Mr. HALLEY. Who called you?

Mr. CHAMBERS. I don't know who in the hell it was.

Mr. HALLEY. Anonymous calls?

Mr. CHAMBERS. Yes, about every week I got one of them. I didn't pay any attention. "You S. B., if you want to talk to me, if you don't want to tell me who you are, I will hang up." I had a lot of them. Two and three times every week.

Then a fellow came right to me again. He sent a businessman to see me. They didn't make me any offers of any kind ever because they knew better.

Mr. HALLEY. Who was the businessman who came to see you?

Mr. CHAMBERS. Dean Rubber Co. of North Kansas City.

Mr. HALLEY. What is the full name?

Mr. CHAMBERS. Wilbur Dean. He just came to me and I told him they were wasting time. That is the statement I made to him. He said, "In order to satisfy you, I will talk to him."

He said, "Remember, I have talked to you but I haven't told you anything."

I said, "No; I don't want to have you talk to me about it because I am not interested."

After that they called me up and would not say who they were. They would say, "You had better get on the wagon because you can be driving a Cadillac instead of that old Buick you have got," or something.

Mr. HALLEY. Did you have any further talk with Binaggio?

Mr. CHAMBERS. Yes. I had one I would say after I took that trip down there and came back.

Mr. HALLEY. You mean your trip to see the Governor?

Mr. CHAMBERS. Yes; after he had written me and I had come back. I think it must have been a month or 6 weeks afterward that he called me and asked me if he could see me again. I said, "Any time you want to. If it is on business or something that you want done, I am not going to do it unless it is right, but you can talk to me."

He said, "Why don't you come up to the Phillips and meet me?"

I said, "No. You come down to the hotel. I will leave the office and meet you in the lobby any time you want to," and I did. He just wanted to know, he said—I can't think of the fellow's name now but one of that bunch, one of that bunch he takes care of—"I am going to get you out of looking after the police affairs."

I said, "What do you mean by that?"

He said, "Well, we are going to have one man in our organization to take care of the police department."

Mr. HALLEY. What did he mean by our organization, did you ask him?

Mr. CHAMBERS. His political organization. They had an office here on Fifteenth Street, you know. "My political organization. I am going to have to appoint one man to look after that end of it."

Mr. HALLEY. Did he say who he was going to appoint?

Mr. CHAMBERS. Yes. He named two. He said he was going to appoint a man by the name of Eddy Spitz or Henry McKissick, one or the other. He hadn't made his mind up yet. In other words, I said, "You are going to have a police commission down in your office there."

He said, "Well, I am going to look after the police department."

I said, "You are making a big mistake because it is not going to get you anywhere and it is just going to create a lot of trouble because it is going to get the police dissatisfied and think they have to account to you," and he had some thinking that.

He said, "I am not interested in what you think."

I said, "Let me ask you something. Do this, then. From now on for God's sake stay away from me. Don't come talking to me because I am not interested in anything you want or anything else. From now on just forget about it."

He said, "I am not going to bother you any more but I have another man I am going to appoint. Maybe he will see you." "He can see me if he wants to, but it won't do him a damned bit of good." I got up and walked away and he did too. I never saw him or talked to him any more from that day on.

Mr. HALLEY. Who is Spitz? Do you know?

Mr. CHAMBERS. No. I did know. I knew he was in the organization. I knew that he was supposed to be Binaggio's man to handle different things for him.

Mr. HALLEY. Financial matters?

Mr. CHAMBERS. Yes; all that kind of thing. I didn't know much about it.

Mr. HALLEY. Who is McKissick, do you know?

Mr. CHAMBERS. McKissick was the president of Charlie Binaggio's club.

Mr. HALLEY. Political club?

Mr. CHAMBERS. Yes; at that time. He has withdrawn from that now.

Mr. HALLEY. Did you speak about the police matter to anyone else?

Mr. CHAMBERS. Yes. I talked about it to the chamber of commerce. They had a meeting. I told them the situation. They did nothing.

Mr. HALLEY. Who did you tell it to; who headed the meeting?

Mr. CHAMBERS. Eight or ten at the meeting. I don't remember who headed the meeting.

Mr. HALLEY. Do you remember any of those who were present?

Mr. CHAMBERS. Yes; a lot of them. It was a police committee of the chamber of commerce—police and fire committee.

Mr. HALLEY. Give as many names as you can.

Mr. CHAMBERS. By golly, I couldn't give them to you but I will look them up.

Mr. HALLEY. Can you give one?

Mr. CHAMBERS. Oh, yes. Hal Brace.

Mr. HALLEY. Can you think of any others?

Mr. CHAMBERS. I think he is still on that committee. No; I can't think of any others. Cohn was there with me. I could get you all the names.

Mr. HALLEY. Did this occur before you were both discharged?

Mr. CHAMBERS. Oh, yes.

Mr. HALLEY. The meeting with the chamber of commerce?

Mr. CHAMBERS. Oh, yes. This was 7 or 8 months before that.

Mr. HALLEY. You both told the story of the pressure you were under?

Mr. CHAMBERS. Yes; not only the pressure, but we told that to some other people here who asked us in town, business people who asked us about it.

The CHAIRMAN. Will you get the names of the members of the chamber of commerce?

Mr. CHAMBERS. Yes; I can get that.

The CHAIRMAN. Today?

Mr. CHAMBERS. Yes.

The CHAIRMAN. Will you give it to us?

Mr. CHAMBERS. Yes. I will be glad to.

(The information requested follows:)

W. A. Weishaar	Ellis B. Young
Molton Green	Frank Rope
Robert Oppenheimer	Hal Brace
Olive Simpson	George Burns
Paul Vardeman	L. Firebug
A. T. Waterman	W. J. Montgomery
William J. Welsh	

Mr. HALLEY. Chief Henry W. Johnson was chief at that time?

Mr. CHAMBERS. Yes; that is right.

Mr. HALLEY. Was the proposal to remove Chief Johnson?

Mr. CHAMBERS. Yes, sir.

Mr. HALLEY. Was that specifically told to you?

Mr. CHAMBERS. Oh, yes.

Mr. HALLEY. By whom?

Mr. CHAMBERS. By Charlie Binaggio. He said we had to remove him.

Mr. HALLEY. Whom did he want to put in his place?

Mr. CHAMBERS. By golly, I have forgotten that fellow's name. I see it in the papers. I can't think of it.

Mr. HALLEY. Joe Braun?

Mr. CHAMBERS. That is the fellow.

Mr. HALLEY. Did you look up Joe Braun?

Mr. CHAMBERS. I didn't have to look it up. I knew about him.

Mr. HALLEY. Tell the committee about Joe Braun.

Mr. CHAMBERS. We went over to the police department, of course, and they told me he wasn't a very good captain there when he was there. They reduced him. That he didn't get along very good when he was out to No. 4 police station, and that he was a pretty heavy drinker, and that his record as a whole was not good as a police officer. But I should also state to you I wasn't interested in whether he was a good officer or not because I wasn't going to appoint him as long as I was on there. You know what I mean. Anybody. I was going to keep the present chief there because he was doing a good job.

Mr. HALLEY. Did the question of Braun's appointment come up before the board of commissioners?

Mr. CHAMBERS. No.

Mr. HALLEY. It was never raised?

Mr. CHAMBERS. No.

Mr. HALLEY. Was there ever any question before the board of commissioners of appointing another former police officer, a man who had formerly been chief of detectives? Higgins?

Mr. CHAMBERS. Yes; that came up before the board.

Mr. HALLEY. Will you tell the committee about that?

Mr. CHAMBERS. Yes. Milligan called all of us down to his office one day. He was president of the board. He said he would like to have a conversation with all of us together. So we did. We went down to his office. He said, "Now, I have talked this over with the Governor, and this is what he wants. This fellow Higgins is all right, and we have got to put him in there."

I said, "He is too old to go on the police force."

"Well," he said, "we will put him in there under the board."

I said, "I don't know about it. I am not ready for that right yet. Let me think it over."

Then Cohn and myself talked together after we left there that day. We said well, maybe he can't do any harm there. Working under the board, he won't be on the police force. He won't be on the police force or draw salary from the police, but only from the board. So at that time we decided maybe we had better go along with him, if he and the Governor wants. Maybe it will ease up the other stuff. So I said, "Well, before we do that, of course you understand we can fire him if we see fit if he doesn't fit in there."

He said he wanted to solve some of these murders and he felt if Higgins were there he would have connections with stool pigeons enough that maybe he could solve something.

I said if he solves one of them it will be all right, it is worth his time.

I told Roy, "Here is what we will do. We will make the proposition to him that we don't want anything else brought up. We are going to try this out. If it works satisfactorily, fine. If it doesn't, we are not going to keep him and we don't want some other changes being brought up later down here, Mr. Milligan, in regard to the Governor's say-so because I don't give a damn whether the Governor says it or who says it, we are not going to change things around here in the police department where they are correct and right and put somebody in and take a chance here on him."

He said, "I won't bother you. That is the only thing I want."

So we agreed to put him on there, and all he was to work on was crime—unsolved murders. That is how he got his job.

Mr. HALLEY. Did he remain, confined to the job of working on unsolved murders?

Mr. CHAMBERS. He stayed there until they fired him.

Mr. HALLEY. When was he fired? The record will show it. He was fired?

Mr. CHAMBERS. Yes. We fired him right after the new member came on. When Farrell went off, resigned, he appointed Elmo Hunter. Hunter came down to my room the day he was appointed by the Governor—

The CHAIRMAN. When was that, Mr. Chambers?

Mr. CHAMBERS. That was in May, I think.

The CHAIRMAN. Right after the Binaggio murder?

Mr. CHAMBERS. Yes; afterward. Hunter came down to my room that evening, and Cohn, both of them, and he said "You fellows are going to stay on with me." He said, "Tom"—this was Wednesday, I think—"Tom, I am going to be sworn in. I have my certificate all ready. I know that you are not happy with this fellow Higgins. He is not doing anything."

I said, "No; he is not doing anything."

"Do you all want to get him off?"

I said, "I am ready any time you are, and have been for the last 6 months." I said, "We have to have three votes to get him off."

He said, "I will go along."

I said, "You are a new member and the Governor just appointed you on there and you are his appointee. Roy and I are not his appointees. So why don't you make the motion so you can get credit for it." I said, "Also that will relieve the police department of knowing that Milligan is trying to run it. That will stir them up that

maybe there is going to be something new here. Maybe we will get that old stuff out of the way."

He said, "All right, I will do it."

We went into the session that day, and we were going to ask for an executive session. I think the record will bear me out exactly. I don't know whether Cohn or I asked for an executive session. He said, "No; all the newspaper people will stay in here. Let's have open meetings. There is no reason for an executive session."

Then Hunter asked for Higgins to be excused instead of staying there and being embarrassed. Milligan said no. If we can't have executive sessions, Higgins will stay there too, something to that effect. Hunter said, "All right, it doesn't make any difference to me. I was just trying to relieve him." So then he made the motion. It was seconded. And we voted on it. Of course they called for the roll on it to see how much each one voted. It was 3 to 1. He voted "no" and the three of us voted "yes."

Mr. HALLEY. Who voted no?

Mr. CHAMBERS. Milligan voted no, of course. Afterward he made the statement of course that he was personally responsible for Higgins being on there and drawing this money all this time and that he thought he had made a good man. So then Hunter turned and asked each one of us whether Higgins had reported to us on anything he had done, and he said, "No; so far as I know he has reported to nobody but Milligan." I said, "I don't know a thing about what he is doing." Cohn said the same thing.

After that they had a list there from the personnel office of men who were on the eligible list to be appointed. That doesn't mean they are appointed. They are on the eligible list. There were a good many on there who were not so hot. The records didn't show anything against them because some of the records were missing. I made a personal investigation on some of them outside of the department from the other boys. Then I made a motion, when I saw that Hunter would go along with us, to wipe the slate clean and start a new list. I used the excuse that Hunter was coming in as a new commissioner and the slate should be clean so we could go along in the proper form and get new men and hire them. So we did.

Mr. HALLEY. Did you ever have any discussions with Milligan about this entire matter apart from the official discussions about Higgins? Did you talk to him outside of the official meetings of the board?

Mr. CHAMBERS. No; I never did.

Mr. HALLEY. In discussing the matter with Governor Smith, were you ever told by him that the gamblers were trying to put pressure on him to open up Kansas City?

Mr. CHAMBERS. You mean did I tell him that?

Mr. HALLEY. Did he tell you that?

Mr. CHAMBERS. No.

Mr. HALLEY. Did you tell him that?

Mr. CHAMBERS. Yes, sir.

Mr. HALLEY. Just what did you say?

Mr. CHAMBERS. I told him about the whole statement as I have told you a while ago, about their calling me and putting the pressure on me and trying to open it up, so much so that—there may have been two things I left out in there.

When Binaggio came down to see me one time, he said, "Will you meet with Farrell and myself?"

He said, "I would like to talk this police situation over."

That was before I went down to the Governor.

I said, "No; there is not use in my meeting with you because I am not going to do what you all want."

He said, "Well, I think we ought to have a discussion."

I said, "Why don't you have Milligan down there too?"

He said, "To hell with him. We will tell him what to do."

I said, "Well, let's don't have a meeting."

So we didn't have a meeting.

Mr. HALLEY. Did you tell that to the Governor?

Mr. CHAMBERS. Absolutely I told it to him.

Mr. HALLEY. What did the Governor say when you told him these things?

Mr. CHAMBERS. That is all, just rubbed his hands together and looked down at the floor, not a word, not one word.

The CHAIRMAN. He didn't say anything?

Mr. CHAMBERS. Not a word.

The CHAIRMAN. Neither hello or goodbye or anything?

Mr. CHAMBERS. I mean when I told him about what Charlie Binaggio told me about this meeting, when I told him that Charlie Binaggio told me to hell with Milligan that he didn't have to worry about him, he could make him do as he wanted.

The CHAIRMAN. When was that conversation with the Governor?

Mr. CHAMBERS. That was in the summer of last year.

Mr. HALLEY. That is the one on July 6?

Mr. CHAMBERS. It must have been, yes, because I remember it was summertime. I haven't got the dates.

Mr. HALLEY. I misled you. It was Cohn who went up on July 6. That date stuck in my memory.

Mr. CHAMBERS. It must have been after. I went after Cohn.

Mr. HALLEY. You went after Cohn?

Mr. CHAMBERS. Yes.

Mr. HALLEY. How much after Cohn did you go?

Mr. CHAMBERS. It couldn't have been over a month or two.

Mr. HALLEY. Did you ask for a formal appointment?

Mr. CHAMBERS. No, that is when he wrote me that letter.

Mr. HALLEY. You went in response to his letter.

Mr. CHAMBERS. That is right.

Mr. HALLEY. That was the letter that Binaggio had told you to expect?

Mr. CHAMBERS. Yes, sir.

The CHAIRMAN. Did he call you up when you were discharged?

Mr. CHAMBERS. Oh, yes. He came up here when they put the pressure on him. Mayor Kemp went down of course.

The CHAIRMAN. This was in June of 1950?

Mr. CHAMBERS. Yes; and Mayor Kemp went down to see him. Then the mayor talked to me before he went down. Then, when he got back here, the mayor called me again and told me what he had told him, and told him if he wanted more information about it he was to see me and I would give him all the information on it, which I have always given him.

That was about 6 o'clock on Thursday. The mayor had gotten back from down there. He was out at his house. I said, "Bill, you are awfully late." He said, "Why?" I said, "Governor Smith called me on my private phone at 4:30 and said he was coming down tonight."

He said, "The hell he did." I said, "Yes." He said, "Maybe we got somewhere." I said, "Maybe we did."

Anyway Smith called me at 4:30 and Kemp said he didn't leave there before 3 or 3:30 and said he was coming down to Kansas City. But he didn't want anybody to know about it. Could I take care of him? I said, "Yes." So I didn't register him at the hotel, but I put him upstairs in a suite. I got over to the chief of police and told him to go down there and to drive down to the union station and slip him out. Then I arranged with the manager of the hotel to slip him in the back way in the elevator and take him on upstairs. I don't know why the secrecy, but it was. He asked for it, and we did it.

He was there Friday night—

The CHAIRMAN. Let's get on. What was the conversation with him?

Mr. CHAMBERS. At that time?

The CHAIRMAN. Did you see him that night?

Mr. CHAMBERS. Oh, yes; he came to my room.

The CHAIRMAN. Did he tell you you were through?

Mr. CHAMBERS. No, no; not that time. He made the remark that "they have the pressure on me and it looks like I have got to fire or make those two commissioners of mine resign. They have already told me."

I said, "Governor, I think you are absolutely right because the pressure is on you about those two fellows and that is all there is to it."

He said, "I don't see any way out." He said, "I just can't do it. I can get Farrell, but I just can't get Milligan because he is an old friend of mine down in my home town," and so forth and so on.

I said, "Well, that is up to you, but I know that you had better let them go because if you don't you are going to get the pressure on you."

Then he talked to me about a lot of other stuff along that same line. When we got down to the final point on it, he said, "I think I can get Farrell out and maybe that will save everything for Milligan."

The next day I don't know what he did all day. He had some people come in. Who he had come in I don't know. That night he came back down to my room and had dinner with me, us alone.

The CHAIRMAN. You all have been friends a long time?

Mr. CHAMBERS. Oh, no. I didn't know the fellow. I never did know him. Just to see him in politics. I never did know him, I mean to amount to anything. I knew him when I saw him.

The CHAIRMAN. Anyway, he came down and had dinner with you.

Mr. CHAMBERS. Yes. Then we went back, and he said, "I want to have a meeting tomorrow. Do you think you can attend it?" I had just gotten out of the hospital and I wasn't going out.

"Can you come up to the suite tomorrow for a meeting of the board?"

I said, "Yes, if you wish it."

He said, "I would. I want you to do that for me. Also I am going to say that our police department is all right."

I said, "Your police department is all right except the moral effect is not so good because the gangsters have been trying to run it. They

have them all scared to death. They don't know whether they are going to keep their jobs or not."

He said, "If I make a statement up there after the board meeting tomorrow, I am going to have the chief there."

I said, "The chief is not going to tell you anything in front of the board. He will go along with everybody. He has to look out for his own job."

He said, "I am going to do that and make a statement. Will you endorse the statement?"

I said, "I have got to see it first."

He said, "I just wanted to know whether you would go along with me to help us."

I said, "All right, I will see it."

The next day he went up there and had the meeting and then he wrote this statement out. Then Milligan wrote another statement out approving the Governor's statement, you see what I mean.

Neither one of them was too bad. So the four commissioners went along.

The CHAIRMAN. What do you mean went along?

Mr. CHAMBERS. In other words, they endorsed—Smith made the statement that the police department was a good department.

The CHAIRMAN. And what did he say about the board of commissioners?

Mr. CHAMBERS. And the police commissioners were all right. At that time—I don't know—

The CHAIRMAN. Did you endorse that?

Mr. CHAMBERS. That the police were good; yes.

The CHAIRMAN. That the police board was a good board?

Mr. CHAMBERS. No; he didn't say that in his statement. He didn't say anything about the police board in his statement, just the police department.

The CHAIRMAN. That includes the board, doesn't it?

Mr. CHAMBERS. Well, I don't know. Maybe it does. I wouldn't say. I don't know about that legally. It is supposed to be appointed by the Governor separate entirely.

The CHAIRMAN. What did you say?

Mr. CHAMBERS. In this statement?

The CHAIRMAN. Did you make an oral statement or a written statement?

Mr. CHAMBERS. No; a written statement. We wrote a statement out approving what the Governor said about the police department, not about the board at all, but the police department at that time. He went back, slipped him out the back, the chief did, got him on the train and he went back. That is when he went down and changed his mind again and that is when he called me again and asked if I would resign. I said, "Not under pressure, I haven't got long to stay in there but under pressure I won't resign. No."

He said, "Well, it is under pressure because the chamber of commerce and two or three other people he named hit me to get a new board."

I said, "All right, I am not going to resign. You can file charges. That is what you promised me you would do."

He said, "Well, I haven't got any charges to file. I sent them up to Buck Taylor and Buck says there are no charges there."

I said, "That is up to you. I am not going to resign."

He sent for me to come down again. I was down there Monday afternoon 2 hours with him, Tuesday morning from 10 to 12—

The CHAIRMAN. What happened?

Mr. CHAMBERS. Nothing.

The CHAIRMAN. Did you see him?

Mr. CHAMBERS. Only that he kept telling me I had to resign to help him out and all this and that. I said, "I am not interested in helping you and I am not going to resign."

The CHAIRMAN. Did the chamber of commerce call for the resignation of all four of the commissioners?

Mr. CHAMBERS. The paper said afterward they did. I have never been able to find it out. I can't tell you that.

The CHAIRMAN. Then nothing happened on that last visit except that you were fired?

Mr. CHAMBERS. That is all.

The CHAIRMAN. Did you file a suit?

Mr. CHAMBERS. Oh, no. I made a statement afterward when he fired me that I was fired, that I am through, and I made a statement about certain conditions and things.

The CHAIRMAN. Tell us the names of all the people that ever tried to get you to change the operation of the police department. Binaggio, and who else?

Mr. CHAMBERS. He was the principal one.

The CHAIRMAN. Not the only principal one.

Mr. CHAMBERS. McKissick and Binaggio are about the only two.

The CHAIRMAN. Who of the others, who else?

Mr. CHAMBERS. You mean who tried to change anything?

The CHAIRMAN. Yes; who tried to get you to have laxer law enforcement, to change the personnel of the police department?

Mr. CHAMBERS. Farrell talked to me two or three times, but he didn't insist on anything. He just talked to me about it.

The CHAIRMAN. Mr. Farrell?

Mr. CHAMBERS. He asked if I would go along with him on certain things, and I said, "What are they?" There were a few things he wanted to change, himself.

The CHAIRMAN. Did Farrell and Milligan talk with you about firing Johnson and putting in this other fellow?

Mr. CHAMBERS. No.

The CHAIRMAN. They never mentioned it to you?

Mr. CHAMBERS. No; never have mentioned it to me. They did all their work through Mulligan.

Mr. HALLEY. Are you familiar with the bulletins put out by the Kansas City Police Department?

Mr. CHAMBERS. Yes. I am not familiar, no, but I can tell you what went out, whether they did or not.

Mr. HALLEY. Could you state whether on February 27, 1950, a bulletin went out in which Police Chief Henry W. Johnson made the following statements, quote:

Increase in crime, falling off in arrests, and decrease in suspects and show-up have followed let-down in field activity. Responsibility for this condition rests with the patrolmen who are failing in their duties, the field sergeants who are not requiring full police duty from the men in their command, and the district commanders, who are not close with what is going on. Disciplinary action for

neglect of duty is the inevitable result of failure. All ranks will be guided accordingly in the performance of their duties. Clearances of major crimes are far below what they should be, indicating detectives and plain-clothes-men are falling down in their investigative work.

Do you remember that?

Mr. CHAMBERS. Yes.

Mr. HALLEY. That was issued shortly before the Governor induced the police board, as you put it, to go along with his statement that the police department was all right; is that right?

Mr. CHAMBERS. I couldn't answer that. I could look it up.

The CHAIRMAN. One was February 22.

Mr. CHAMBERS. It must have been because it was after this; that is right.

Mr. HALLEY. How could the board go along with a statement that the police department was all right in the light of the bulletin issued by the chief of police on February 27?

Mr. CHAMBERS. If you had that statement here that he made, of course, you would see a little difference in it. We had to correct his statement a little bit. The chief did, too. He was saying that our crime condition was better. We corrected that. The statement covered—I can't tell you exactly what the statement covered, but it wasn't too bad. The facts were about right in the statement.

Mr. HALLEY. You then took care in the statement to get around the facts?

Mr. CHAMBERS. Yes, that is right. He did, because he had some things in there that weren't true and the chief and myself called him on the things right off the bat if I remember correctly. Then he rewrote it.

The CHAIRMAN. Do you think Chief Johnson is a good police chief?

Mr. CHAMBERS. I certainly do. I have no reason to believe otherwise.

The CHAIRMAN. How much experience have you had to know whether he is a good chief or not?

Mr. CHAMBERS. I have had 3½ years.

The CHAIRMAN. Do you think that is the general impression here in Kansas City?

Mr. CHAMBERS. Yes. The general impression here is that Chief Johnson is a good man, a straight shooter, and I don't believe—

The CHAIRMAN. The general impression is that you have had an awful lot of law violation out here. That is the general impression in the country at large.

Mr. CHAMBERS. I don't think, Senator, it will show that we are any different from most places. You have some spot murders, yes, but as far as crime and all that, I think our record will show up pretty good. The FBI shows us with very good records.

The CHAIRMAN. For a long time you have had bookie operations, you have had gambling operations—

Mr. CHAMBERS. We have had some of that, but we certainly did raid them on it. You understand we started that bookie operation some time ago, trying to get rid of that stuff. The circuit court issued an injunction against this place and we couldn't touch it.

The CHAIRMAN. What place? This wire service place?

Mr. CHAMBERS. Yes. They issued an injunction against it and we couldn't touch it. We were going to chop it up one day, and they had an injunction against us and we could not do a thing about it.

The CHAIRMAN. Is that the Mo-Kan Harmony News Service?

Mr. CHAMBERS. That is the one I am thinking about, yes, sir. We had axes and were going to chop it all up, and this is when Phil Donnelly was Governor.

The CHAIRMAN. Did you have your ax out, Mr. Chambers?

Mr. CHAMBERS. No, I never carried one, except on some people I would like to carry one for [laughter]. We raided these places. Things were pretty bad there for a while.

The CHAIRMAN. So you don't think anybody has reached Chief Johnson?

Mr. CHAMBERS. I do not. I certainly do not. I don't think anybody can reach Chief Johnson or Frank Collins, the chief of detectives. I think those two fellows are absolutely honest. That is my honest opinion.

Mr. HALLEY. Do you have any opinion about Lester W. Kircher, who is in charge of the downtown district?

Mr. CHAMBERS. That is my man that they wanted to move. That is the captain they wanted to move.

Mr. HALLEY. Who wanted to move him?

Mr. CHAMBERS. Binaggio's men. I told you they wanted to move the captain from that district so he could bring another captain from another district in there.

Mr. HALLEY. Is Kircher the man who would be in charge of the gambling and raiding vice places?

Mr. CHAMBERS. Yes. But the raid squad generally handles most of that stuff.

Mr. HALLEY. Would that be under Kircher?

Mr. CHAMBERS. No; the raid squad is under Captain Parker.

Mr. HALLEY. What does Kircher have in his duties?

Mr. CHAMBERS. He is supposed to look after everything, gambling, too, but the raiding squad generally handles gambling. He handles everything else.

Mr. HALLEY. Do you consider Kircher an honest policeman?

Mr. CHAMBERS. Absolutely.

Mr. HALLEY. An able policeman?

Mr. CHAMBERS. Absolutely.

Mr. HALLEY. Who sought his removal, Binaggio?

Mr. CHAMBERS. Binaggio.

Mr. HALLEY. Anyone else? Did anyone else speak to you about it?

Mr. CHAMBERS. McKissick and Binaggio, both the same.

Mr. HALLEY. Did Spitz speak to you about Kircher?

Mr. CHAMBERS. I don't know.

Mr. HALLEY. Did McKissick?

Mr. CHAMBERS. A lot of them did, but I don't remember.

Mr. HALLEY. Who do you remember?

Mr. CHAMBERS. Those two are all I remember putting the pressure on me.

Mr. HALLEY. What did he say? Take Binaggio first.

Mr. CHAMBERS. He said, "We have to have that captain down there and that man has to go. He is too strict with us."

Mr. HALLEY. Did Kircher go or stay?

Mr. CHAMBERS. He stayed.

Mr. HALLEY. He went?

Mr. CHAMBERS. No, sir; he never did go. He is still there.

Mr. HALLEY. Did Binaggio say why he had to have that job?

Mr. CHAMBERS. Yes, because this man wouldn't do it. He said he has it in for us and there is no reason to keep him there.

Mr. HALLEY. He has it in for us?

Mr. CHAMBERS. That is what he said.

Mr. HALLEY. Did he say he was making arrests?

Mr. CHAMBERS. He didn't go into any details at all. Of course I knew what he meant when he said it.

Mr. HALLEY. What did McKissick say?

Mr. CHAMBERS. Along the same lines.

Mr. HALLEY. Anything different?

Mr. CHAMBERS. No.

Mr. HALLEY. He didn't use the same language?

Mr. CHAMBERS. Not exactly, but he would say to me, "Now, we want to do this and you better go along with us."

Of course I have known McKissick for some time.

Mr. HALLEY. How long have you known McKissick?

Mr. CHAMBERS. I think maybe 20 years anyway.

Mr. HALLEY. Did he speak to you about this matter of the removal?

Mr. CHAMBERS. In the lobby of the hotel, the President.

Mr. HALLEY. Did he come to find you? Did he have an appointment?

Mr. CHAMBERS. He called me and asked me for an appointment and I said, "I will meet you downstairs in the lobby."

Mr. HALLEY. I think that is all.

The CHAIRMAN. That is all, Mr. Chambers. Thank you very much.

Mr. CHAMBERS. Thank you, sir.

The CHAIRMAN. If we need you any more we will call you, sir.

Mr. CHAMBERS. I will get that list as soon as I can from the chamber of commerce.

The CHAIRMAN. And a copy of any resolution the chamber of commerce filed, if there was any or any official action they took. Did you have any letters from anybody asking you to make any concessions?

Mr. CHAMBERS. No.

The CHAIRMAN. Do you have any letters or documents which would be of help to the committee?

Mr. CHAMBERS. No, I don't think so on this. Of course on the gambling situation you got that from the police files. I have a list on all that stuff I keep.

The CHAIRMAN. No, we don't need that from you. Thank you, Mr. Chambers.

(Discussion off the record.)

The CHAIRMAN. The committee is recessed until 1:45.

(Whereupon, at 12:30 p. m. the committee recessed until 1:45 p. m. the same day.)

#### AFTERNOON SESSION

(Whereupon, the committee reconvened at 1:45 p. m. pursuant to the taking of the noon recess.)

The CHAIRMAN. The committee will be in order.

Mr. Milligan, do you solemnly swear the testimony you are about to give this committee will be the whole truth, and nothing but the truth, so help you God?

Mr. MILLIGAN. I do.

**TESTIMONY OF JACOB L. MILLIGAN, KANSAS CITY, MO.**

Mr. HALLEY. What is your full name?

Mr. MILLIGAN. Jacob L. Milligan.

Mr. HALLEY. Where do you reside, Mr. Milligan?

Mr. MILLIGAN. 501 Knickerbocker Place, Kansas City.

Mr. HALLEY. Missouri?

Mr. MILLIGAN. Missouri.

Mr. HALLEY. What is your occupation?

Mr. MILLIGAN. Lawyer.

Mr. HALLEY. Where is your business?

Mr. MILLIGAN. 1002 Walnut.

Mr. HALLEY. What is the name of your law firm?

Mr. MILLIGAN. Milligan & Deacy.

Mr. HALLEY. Mr. Milligan, were you ever a member of the Board of Police Commissioners of Kansas City?

Mr. MILLIGAN. Yes, sir.

Mr. HALLEY. When did you become a member?

Mr. MILLIGAN. I think I was sworn in on the 8th or 9th of May.

Mr. HALLEY. 1949?

Mr. MILLIGAN. 1949.

Mr. HALLEY. When did you leave the commission?

Mr. MILLIGAN. I resigned—I don't remember the exact date—around the 1st of May of this year.

Mr. HALLEY. 1950.

Mr. MILLIGAN. Yes, sir.

The CHAIRMAN. Was it not around the 1st of June, Mr. Milligan?

Mr. MILLIGAN. The 1st of May as I remember.

The CHAIRMAN. When were Binaggio and Gargotta killed?

Mr. MILLIGAN. April.

Mr. HALLEY. Under what circumstances did you resign?

Mr. MILLIGAN. Well, I just wrote the Governor a letter and resigned.

Mr. HALLEY. Did anybody ask for your resignation?

Mr. MILLIGAN. No, sir.

Mr. HALLEY. Did you discuss it with anybody before you resigned?

Mr. MILLIGAN. I don't think so.

Mr. HALLEY. Did you discuss it with the Governor?

Mr. MILLIGAN. No; I did not.

Mr. HALLEY. Neither by telephone nor directly?

Mr. MILLIGAN. That is right.

Mr. HALLEY. Did you discuss it with Charles Binaggio?

Mr. MILLIGAN. He was dead.

Mr. HALLEY. You resigned after he was murdered?

Mr. MILLIGAN. That is right.

Mr. HALLEY. Would you state to the committee who recommended your appointment?

Mr. MILLIGAN. No one. The Governor appointed me.

Mr. HALLEY. The Governor appointed you?

Mr. MILLIGAN. That is right.

Mr. HALLEY. When did you first learn that you might be appointed?

Mr. MILLIGAN. Some time in January of 1949.

Mr. HALLEY. After the election of Governor Smith?

Mr. MILLIGAN. That is right.

Mr. HALLEY. Who first told you about it?

Mr. MILLIGAN. The Governor.

Mr. HALLEY. Did you go to see him?

Mr. MILLIGAN. No.

Mr. HALLEY. How was it communicated to you?

Mr. MILLIGAN. He was in Kansas City and he told me he was going to appoint me president of the police board, and I protested very vehemently that I was out of politics and I didn't want a job like that. In fact, I didn't want any kind of a job.

Mr. HALLEY. Where did this conversation take place?

Mr. MILLIGAN. In my apartment.

Mr. HALLEY. At your apartment?

Mr. MILLIGAN. Yes, sir.

Mr. HALLEY. Where is your apartment?

Mr. MILLIGAN. 510 Knickerbocker Place.

Mr. HALLEY. That is the same place you reside now?

Mr. MILLIGAN. That is right.

Mr. HALLEY. He came to see you?

Mr. MILLIGAN. That is right. He was in Kansas City and visiting his daughter, as I remember it.

Mr. HALLEY. Was he alone?

Mr. MILLIGAN. Yes.

Mr. HALLEY. And there was nobody present but you two?

Mr. MILLIGAN. My wife.

Mr. HALLEY. Your wife was present.

Mr. MILLIGAN. Yes.

Mr. HALLEY. Did you agree to accept at that time?

Mr. MILLIGAN. No, I didn't.

Mr. HALLEY. What happened?

Mr. MILLIGAN. I protested that I didn't want the appointment, that it was one of the hottest spots in the State as a political appointment, and I did not want it. We sort of left it in that way.

He said he wanted me to accept it because he was asking me to, to protect his interests.

Mr. HALLEY. Did he explain how you would be protecting his interests?

Mr. MILLIGAN. How is that?

Mr. HALLEY. Did he explain how you were to protect his interests?

Mr. MILLIGAN. I presume—he didn't explain it. I made the assumption that he did it because I had known him all my life; we were born on neighboring farms in Rhea County. I had known him all my life.

Mr. HALLEY. Did you ever discuss your appointment with Charles Binaggio?

Mr. MILLIGAN. I did not.

Mr. HALLEY. After you were appointed did you ever discuss the police department or the board of police commissioners with Charles Binaggio?

Mr. MILLIGAN. Yes, sir.

Mr. HALLEY. What was the first occasion on which you had such a discussion?

Mr. MILLIGAN. Sometime after I was appointed. There had been newspaper reports and rumors that Binaggio had me appointed president of the police board, and there were also rumors about the town was going to open up. I called Binaggio and asked him to come to my office.

The CHAIRMAN. When was this, approximately, Mr. Milligan?

Mr. MILLIGAN. I can't tell you, Senator.

The CHAIRMAN. It was shortly after you went on?

Mr. MILLIGAN. Shortly after I was appointed. I told him very plainly that I owed no political obligation to him, that he had nothing to do with my appointment, that I was the personal appointment of the Governor. I also went into other detail that if all this stuff was true about him, which I knew nothing about, being engaged in these different activities as charged by the newspapers, he had better get out as the political leader.

Mr. HALLEY. What did he say to that?

Mr. MILLIGAN. He agreed with me.

Mr. HALLEY. Did he get out?

Mr. MILLIGAN. No. This is rumor. I understood he was going to get out before he was killed.

Mr. HALLEY. In other words, at this time you didn't know that he had various gambling interests?

Mr. MILLIGAN. No, I didn't know. I had heard it, of course, rumors.

Mr. HALLEY. You had no personal knowledge?

Mr. MILLIGAN. No personal knowledge, no.

Mr. HALLEY. In your private law practice did you ever represent Charles Binaggio?

Mr. MILLIGAN. I never did.

Mr. HALLEY. Never in any respect whatsoever?

Mr. MILLIGAN. Directly or indirectly that I ever knew of.

Mr. HALLEY. Did you ever represent any member of his family?

Mr. MILLIGAN. No.

Mr. HALLEY. Or did any member of your law firm or your law firm ever represent him or any member of his family?

Mr. MILLIGAN. I am sure they did not.

Mr. HALLEY. Did you ever represent Ace Sales Co.?

Mr. MILLIGAN. No. Wait a minute, Ace Sales? Is that the equipment company? My partner represented Ralph Spitscaufsky, who is a member of those sales people.

Mr. HALLEY. How long did he represent them?

Mr. MILLIGAN. I don't know, because he represented the family who had been contractors for a number of years.

Mr. HALLEY. They were in the contracting business; is that right?

Mr. MILLIGAN. His father was. I think his name is Hyman Spitscaufsky.

Mr. HALLEY. Didn't you know that Binaggio was connected with Ace Sales?

Mr. MILLIGAN. I didn't at that time.

Mr. HALLEY. Do you know it now?

Mr. MILLIGAN. I heard he was, yes.

Mr. HALLEY. How long had you known Binaggio?

Mr. MILLIGAN. I hadn't known him very long.

Mr. HALLEY. Where did you first meet him?

Mr. MILLIGAN. I couldn't tell you; in fact, I never got acquainted with him actually. I may have seen him or met him or something. I never got acquainted with him until the campaign, the primary in nineteen forty—

Mr. HALLEY. 1948?

Mr. MILLIGAN. Yes.

Mr. HALLEY. Did you become acquainted with him during that campaign?

Mr. MILLIGAN. Yes, sir.

Mr. HALLEY. Did you make a political contribution during that campaign?

Mr. MILLIGAN. No, sir.

Mr. HALLEY. Did you solicit any political contributions?

Mr. MILLIGAN. I did not.

Mr. HALLEY. Did you collect any?

Mr. MILLIGAN. No, sir.

Mr. HALLEY. Did you do any work in that campaign?

Mr. MILLIGAN. Yes, sir.

Mr. HALLEY. Just what did you do?

Mr. MILLIGAN. I managed that campaign for Jackson County. I went in and opened headquarters July 1, 1948. We closed the campaign as I remember it—the first part of August, the first Monday after the first Tuesday.

Mr. HALLEY. Is that all you did?

Mr. MILLIGAN. That is all.

Mr. HALLEY. Did you represent Pat Noonan at any time?

Mr. MILLIGAN. Yes, sir.

Mr. HALLEY. In what connection did you represent Pat Noonan?

Mr. MILLIGAN. Pat Noonan was indicted for violation of the prohibition law back in 1932, along in that time.

Mr. HALLEY. Were you his counsel in that case?

Mr. MILLIGAN. Yes, sir.

Mr. HALLEY. Did you ever represent Joe De Luca?

Mr. MILLIGAN. Joe De Luca? In what capacity?

Mr. HALLEY. In any capacity.

Mr. MILLIGAN. Yes, sir.

Mr. HALLEY. Would you state what it was?

Mr. MILLIGAN. I represented him—not in the trial of his case. He had a case pending in the district court or the court of appeals. I represented him in presenting application for parole in Washington.

Mr. HALLEY. In what year?

Mr. MILLIGAN. It was early 1940's, I believe. I couldn't say.

Mr. HALLEY. Did you ever represent Frank De Luca?

Mr. MILLIGAN. No, sir. I don't even know either one of them.

Mr. HALLEY. Joe De Luca had been convicted for a narcotics violation; is that right?

Mr. MILLIGAN. That is right.

Mr. HALLEY. Did you ever represent Tony Gizzo?

Mr. MILLIGAN. No, sir.

Mr. HALLEY. Or Snag Klein?

Mr. MILLIGAN. No, sir.

Mr. HALLEY. Or Walter Rainey?

Mr. MILLIGAN. No, sir.

Mr. HALLEY. Tano Lacoco?

Mr. MILLIGAN. No, sir.

Mr. HALLEY. George Fatall?

Mr. MILLIGAN. No, sir.

Mr. HALLEY. Harry Terte? Nicolo Impostato?

Mr. MILLIGAN. No, sir.

Mr. HALLEY. James Balestrere?

Mr. MILLIGAN. No.

Mr. HALLEY. Max Jaben?

Mr. MILLIGAN. No.

Mr. HALLEY. Joe Di Giovanni?

Mr. MILLIGAN. No, sir.

Mr. HALLEY. John Blando?

Mr. MILLIGAN. No, sir.

Mr. HALLEY. Vincent Chiappetta?

Mr. MILLIGAN. No, sir.

Mr. HALLEY. Paul Ferrantelli?

Mr. MILLIGAN. No. I don't know most of these people you are calling the names of.

Mr. HALLEY. You don't know the names at all?

Mr. MILLIGAN. I know I did not represent them.

Mr. HALLEY. Joseph Patito?

Mr. MILLIGAN. Joe Patito is a lawyer himself.

Mr. HALLEY. You never have been associated with him in any case?

Mr. MILLIGAN. Yes, sir.

Mr. HALLEY. Would you state what it was?

Mr. MILLIGAN. That was the De Luca case.

Mr. HALLEY. Did Patito try that case?

Mr. MILLIGAN. I don't know who tried that. He had several lawyers.

Mr. HALLEY. Was it he who brought the case to you?

Mr. MILLIGAN. I wasn't in the case proper. This was after the man—

Mr. HALLEY. You handled his parole?

Mr. MILLIGAN. That is right.

Mr. HALLEY. It has been reported in the newspapers that you favored—

Mr. MILLIGAN. Which one, if you are going to newspapers, which newspapers?

Mr. HALLEY. I won't specify it. You can deny it. I am not testifying.

Mr. MILLIGAN. You said newspapers.

Mr. HALLEY. But it has been reported that you favored an open city; that is, it lacked enforcement of the laws against gambling. Is that correct?

Mr. MILLIGAN. That is not true.

Mr. HALLEY. Would you state what your stand on that subject matter is?

Mr. MILLIGAN. I directed at all times any police officer to enforce every law under his jurisdiction, and if that is a Post-Dispatch, I can explain that to you.

Mr. HALLEY. Go ahead.

Mr. MILLIGAN. Mr. McCullough told me that there was a mistake at the office; that he did not write that article that I was for an open

town, that they put that in in the office. He told me that on the day I resigned over here outside the police department.

Mr. HALLEY. Did you ever issue a public denial that you were for an open town?

Mr. MILLIGAN. Yes, sir.

Mr. HALLEY. When did you do that?

Mr. MILLIGAN. At all times, numerous times.

Mr. HALLEY. When you were first named to the police force did you make any public statement?

Mr. MILLIGAN. Yes, sir; the whole board made a statement.

Mr. HALLEY. What statement was made?

Mr. MILLIGAN. That the police department was to enforce all laws under their jurisdiction and along that line.

Mr. HALLEY. Do you recall one Thomas J. Higgins?

Mr. MILLIGAN. Yes, sir.

Mr. HALLEY. Did you nominate him for a position on the police board shortly after your appointment?

Mr. MILLIGAN. Yes, sir.

Mr. HALLEY. Would you state the full circumstances surrounding that?

Mr. MILLIGAN. I was appointed on the police board, and we heard a lot of rumors. I knew nobody down at the police department. I wanted someone to be in a position to advise the board as to what was going on and to help solve the murder cases that were open and to prevent them in the future, if possible.

Mr. HALLEY. Did you know at that time that Higgins had formerly been removed from the police force?

Mr. MILLIGAN. Yes, sir.

Mr. HALLEY. Did that affect your judgment in any way?

Mr. MILLIGAN. No.

Mr. HALLEY. Did certain members of the police board object to the appointment of Higgins?

Mr. MILLIGAN. They didn't at the time.

Mr. HALLEY. Wasn't there considerable discussion about it?

Mr. MILLIGAN. No, not particularly. I checked up on Higgins and called the members of the board in and told them what I contemplated and suggested that each one of them check his records, and they did, apparently, and shortly after that—

Mr. HALLEY. Wasn't it worked out as a compromise that Higgins would not serve on the force itself but would serve directly under the board of police commissioners?

Mr. MILLIGAN. He was superintendent adviser to the board.

Mr. HALLEY. Wasn't that worked out because the other members of the board didn't trust him to serve on the force?

Mr. MILLIGAN. No, no, sir.

Mr. HALLEY. Is Higgins still there?

Mr. MILLIGAN. No.

Mr. HALLEY. Was he removed?

Mr. MILLIGAN. He was removed.

Mr. HALLEY. Under what circumstances?

Mr. MILLIGAN. He was removed by the board on the day I resigned.

Mr. HALLEY. Was he kept in there until you resigned because of your insistence that he be kept?

Mr. MILLIGAN. No; I didn't insist. There wasn't any one objecting to him.

Mr. HALLEY. Did the other members of the board go along simply because he made it clear that the Governor wanted him?

Mr. MILLIGAN. I don't know the reason they went along.

Mr. HALLEY. Didn't you take the position that the Governor wanted Higgins?

Mr. MILLIGAN. I did not, because I did not consult the Governor about it, and he knew no more about it than you did.

Mr. HALLEY. Assuming that you said nothing to the Governor about it, did you say anything to the other members of the board about it?

Mr. MILLIGAN. I did. I told you I did.

Mr. HALLEY. That the Governor wanted Higgins?

Mr. MILLIGAN. I did not make that statement.

Mr. HALLEY. At no time?

Mr. MILLIGAN. At no time.

Mr. HALLEY. To any member of the board?

Mr. MILLIGAN. Because if the Governor had wanted him it wouldn't have been true, because I didn't consult the Governor about it. I did not.

Mr. HALLEY. You were asked to resign, were you not, after Binaggio's murder?

Mr. MILLIGAN. I was not.

Mr. HALLEY. Did you resign of your own initiative?

Mr. MILLIGAN. I certainly did.

Mr. HALLEY. You had no discussion with the Governor about it?

Mr. MILLIGAN. I did not.

Mr. HALLEY. Or with anyone else?

Mr. MILLIGAN. With anyone else. I wrote the letter in my own office.

Mr. HALLEY. What impelled you to do that?

Mr. MILLIGAN. As I explained to the Governor, there was all this newspaper fighting, and I explained in my letter, it was all in the newspaper that Binaggio controlled the police board and Binaggio and the gamblers were going to open up, and all that stuff. They used it in Smith's primary campaign, the general election campaign, and they continued to use it after he was inaugurated.

Mr. HALLEY. Did you speak to the Governor at all or just write this letter?

Mr. MILLIGAN. I wrote the letter and took it down in person.

Mr. HALLEY. Did you think you might be embarrassing the Governor? He appointed you and put a certain confidence in you.

Mr. MILLIGAN. That is right.

Mr. HALLEY. You have testified that when he appointed you he said he needed you on the board.

Mr. MILLIGAN. That is right.

Mr. HALLEY. And you took it as his old friend.

Mr. MILLIGAN. That is right.

Mr. HALLEY. Yet without any discussion with him, at a time when the general situation was most embarrassing you simply put a resignation in to the mails, is that right?

Mr. MILLIGAN. No, I did not. I told you I took it down there in person.

Mr. HALLEY. And handed it to him. What did he say at that time?

Mr. MILLIGAN. I explained to him the situation as it was, the newspapers were fighting about it, and he had better accept the resignation. I, because of my law practice and my family, was tired of being harassed by the newspapers with statements that weren't true. He took it and said "I don't know what I will do with it." I urged him to accept it.

Mr. HALLEY. Was there any discussion about the resignation of any of the other commissioners at that time?

Mr. MILLIGAN. No.

Mr. HALLEY. You were appointed at the same time as Commissioner Farrell, weren't you?

Mr. MILLIGAN. Yes. Farrell had already resigned.

Mr. HALLEY. You were both Governor Smith's appointees, is that right?

Mr. MILLIGAN. That is right.

Mr. HALLEY. Did you discuss your resignation with Farrell?

Mr. MILLIGAN. No, sir. He had already resigned from the board.

Mr. HALLEY. Had he stated any reason for his resignation?

Mr. MILLIGAN. He stated on account of—I don't remember exactly, but something about because of his business or something.

Mr. HALLEY. The chamber of commerce had made very strong representations that the citizens were dissatisfied with the police board, had they not?

Mr. MILLIGAN. They did some time. I don't know whether it was that time or not. I think prior to that—what date do you mean?

Mr. HALLEY. Prior to your resignation.

Mr. MILLIGAN. It was prior to that time, a short time.

Mr. HALLEY. Did you ever discuss with the Governor the chamber of commerce statements?

Mr. MILLIGAN. I may have asked him about it. I don't remember.

Mr. HALLEY. Do you think you talked to him about it in person?

Mr. MILLIGAN. When I was there and took this letter down there, I may have discussed it. I imagine I did.

Mr. HALLEY. Did you talk to the Governor about it at all before you took the letter of resignation?

Mr. MILLIGAN. No, sir; because I hadn't seen him in quite some time or over the telephone.

Mr. HALLEY. Had you talked to him over the telephone?

Mr. MILLIGAN. No, I had not.

Mr. HALLEY. You had no conversations with the Governor?

Mr. MILLIGAN. No, except when he was here some time 2 or 3 weeks prior to this time.

Mr. HALLEY. Did you think the police force was an efficient organization during the period of your tenure?

Mr. MILLIGAN. I think it could have been more efficient.

Mr. HALLEY. Were you satisfied with it?

Mr. MILLIGAN. No.

Mr. HALLEY. What did you do about your dissatisfaction?

Mr. MILLIGAN. We made different changes, recommendations were made.

Mr. HALLEY. Who made these changes and recommendations?

Mr. MILLIGAN. The chief made some. The chief made all of the changes.

Mr. HALLEY. Did he get the suggestions from you?

Mr. MILLIGAN. No.

Mr. HALLEY. Didn't you make efforts to have the chief supplanted?

Mr. MILLIGAN. I did not.

Mr. HALLEY. Two members of the board of police commissioners have testified before this committee, and both of them testified that you suggested changes in the position of chief of police.

Mr. MILLIGAN. I did not. I didn't suggest any changes.

Mr. HALLEY. Did you at no time suggest any change in the position of chief of police?

Mr. MILLIGAN. To the members of the board?

Mr. HALLEY. To the members of the board.

Mr. MILLIGAN. No.

The CHAIRMAN. Or to anybody?

Mr. HALLEY. To which one else?

Mr. MILLIGAN. To anyone else, no. The Governor appointed me and Mr. Farrell because he wanted all the laws enforced, particularly on gambling, and wanted these murder cases solved, if possible, and wanted to stop them in the future. He told us at that time, "Go in there and feel your way and don't go tearing up that police department. Go in there and feel your way and find out what the situation actually is."

As far as Chief Johnson is concerned, the chief has not had general police experience. He is a traffic man and he is a good traffic man. But as far as having training in all the different departments in the police department, he hasn't.

Mr. HALLEY. Didn't you point that out to the board of police commissioners?

Mr. MILLIGAN. I may have.

Mr. HALLEY. Didn't you in fact suggest that another man be named in his place as chief of police?

Mr. MILLIGAN. No.

The CHAIRMAN. What was that fellow's name?

Mr. MILLIGAN. Braun?

Mr. HALLEY. Braun.

Mr. MILLIGAN. That was in the papers.

Mr. HALLEY. What about Braun?

Mr. MILLIGAN. All right. Mr. Braun came to my office. He had been in the police department, he had been a captain.

Mr. HALLEY. That is John Braun?

Mr. MILLIGAN. I don't know his first name. I had never seen the man or heard of him before.

Mr. HALLEY. He came to you?

Mr. MILLIGAN. He came to my office. He had recommendations and he had letters of commendation with him.

Mr. HALLEY. From whom were these letters?

Mr. MILLIGAN. One was from Edward Shook, a prior chairman of the police board, and I don't remember who the others were. Maybe it was from the chief of police, somebody like that. I don't remember now.

Mr. HALLEY. What did Braun say to you? What did he want?

Mr. MILLIGAN. He wanted to be chief of police.

Mr. HALLEY. Did you propose his name to the board?

Mr. MILLIGAN. No, I did not.

Mr. HALLEY. Did you mention the fact to the board?

Mr. MILLIGAN. Oh, I think I mentioned it to Cohn one time.

Mr. HALLEY. Where did you mention it to him, at a board meeting or privately?

Mr. MILLIGAN. I may have mentioned it privately. I don't think it was at a board meeting.

Mr. HALLEY. Where was it that you mentioned Braun to Cohn?

Mr. MILLIGAN. It may have been in my office. It may have been in Cohn's office, I don't know.

Mr. HALLEY. Did you ever mention it to any of the other commissioners?

Mr. MILLIGAN. I don't think so, because the man wasn't qualified under the law to be chief of police.

Mr. HALLEY. Who was not qualified?

Mr. MILLIGAN. Braun.

Mr. HALLEY. Why did you mention it at all to Cohn?

Mr. MILLIGAN. That was before I investigated him.

Mr. HALLEY. What did you say to Cohn? Did you say anything that might lead him to believe you wanted to supplant the present chief with Mr. Braun?

Mr. MILLIGAN. Cohn and I discussed Braun twice, one—and I don't know, it might have been in my office, it might have been in his. I told Cohn that Braun had been in my office, that he was a very personable-looking fellow, to check him up himself, and I was going to have him investigated and see about him because I had never heard of him. Then Cohn made an investigation, and I made an investigation, and he was not qualified under the law.

Mr. HALLEY. Then you had a second discussion with Cohn about Braun?

Mr. MILLIGAN. That is right; yes, sir.

Mr. HALLEY. What was the second discussion?

Mr. MILLIGAN. Cohn and Binaggio and myself—I think Binaggio called me up and said that he and Cohn wanted to see me. I asked him to come over to my office. And he said Cohn didn't want to do that, and I said "I will come over to his office." He said, "No," he wanted to meet in some office across the street. I don't remember the name of it. I went over there and went in this office. Cohn was there. Binaggio was there. Who brought up Braun's name I don't know. When they mentioned it, I said "I have investigated the man and he is not qualified under the law because you have to have 5 years of executive police duty, filling an executive capacity."

Mr. HALLEY. Who brought Braun up at that meeting, Cohn or Binaggio?

Mr. MILLIGAN. He wasn't at the meeting. I don't know.

Mr. HALLEY. Who was at the meeting? You were there.

Mr. MILLIGAN. I was there.

Mr. HALLEY. Cohn was there.

Mr. MILLIGAN. Cohn was there, Binaggio was there. That is all.

Mr. HALLEY. Was this at the Midland Lithographing Co.?

Mr. MILLIGAN. I don't know.

Mr. HALLEY. Do you know anybody named Rosenberg?

Mr. MILLIGAN. Yes.

Mr. HALLEY. You do?

Mr. MILLIGAN. Yes. What is his first name?

Mr. HALLEY. What Rosenberg do you know?

Mr. MILLIGAN. Mike Rosenberg.

Mr. HALLEY. Mike Rosenberg.

Mr. MILLIGAN. I know a Mike Rosenberg.

Mr. HALLEY. What business is he in?

Mr. MILLIGAN. He works for some sacking company.

Mr. HALLEY. Was this in his office?

Mr. MILLIGAN. There is a lithographing man, Rosenberg.

Mr. HALLEY. That is Herman Rosenberg?

Mr. MILLIGAN. That is right.

Mr. HALLEY. Did you meet in Herman Rosenberg's office?

Mr. MILLIGAN. I think it was.

Mr. HALLEY. At this lithographing company?

Mr. MILLIGAN. It wasn't a lithographing company.

Mr. HALLEY. But it was Herman Rosenberg's office, is that right?

Mr. MILLIGAN. Yes, sir.

Mr. HALLEY. Was anybody there besides yourself and Binaggio and Cohn?

Mr. MILLIGAN. No.

Mr. HALLEY. Would you very carefully, giving yourself all the time you need—

Mr. MILLIGAN. Can I smoke in here, Senator?

The CHAIRMAN. Mr. Milligan, I would like to smoke myself, but they said no smoking. I am chewing a cigar.

Mr. HALLEY. Could you very carefully, giving yourself all the time you want, give the committee that conversation that you had with Binaggio and Cohn in full?

Mr. MILLIGAN. Binaggio called me up and said that Mr. Cohn and he would like to see me. I told him to come to my office. He said, "Well, Cohn doesn't want to do that."

I said "I will come to his office."

He said, "No; I want to meet you at—" whatever this office was. I am not definite about that. So I went over there. Mr. Cohn and Binaggio were there. One of them—who it was I don't know—brought up Braun's name. The chief of police and I told them that under the law Braun was not qualified and it must have been Binaggio who brought his name up because I said to Cohn, "Bob, you have looked up the law and you know under the law this fellow is not qualified."

That is practically the conversation.

Mr. HALLEY. Was there anything else?

Mr. MILLIGAN. That is practically it as I remember it.

Mr. HALLEY. Nothing else said whatsoever?

Mr. MILLIGAN. Not that I remember of. Oh, I believe there was some other suggestion about the chief of police.

Mr. HALLEY. Who made the other suggestion?

Mr. MILLIGAN. I don't remember now.

Mr. HALLEY. Binaggio?

Mr. MILLIGAN. I think Cohn made it.

Mr. HALLEY. Who did Cohn suggest?

Mr. MILLIGAN. I think he suggested Captain Parker, and I made no comment because I didn't know anything about Parker, and I wasn't there over a couple of minutes.

Mr. HALLEY. What is Parker's full name?

Mr. MILLIGAN. William Parker.

Mr. HALLEY. Is he now on the police force?

Mr. MILLIGAN. Yes, sir.

Mr. HALLEY. There must have been some preface before Binaggio raised the question of changing the police chief.

Mr. MILLIGAN. There might have been, there may have been some very short conversation because I wasn't there over 2 or 3 minutes.

Mr. HALLEY. Did you sit down and take your coat off?

Mr. MILLIGAN. No.

Mr. HALLEY. Did you have a seat?

Mr. MILLIGAN. I imagine I did. I don't remember.

Mr. HALLEY. Was this in an office?

Mr. MILLIGAN. This was in an office.

Mr. HALLEY. Upstairs?

Mr. MILLIGAN. Upstairs.

Mr. HALLEY. What were the premises like, do you recall?

Mr. MILLIGAN. It was an office.

Mr. HALLEY. An office building?

Mr. MILLIGAN. Yes.

Mr. HALLEY. You went into a private office?

Mr. MILLIGAN. That is right.

Mr. HALLEY. Were Cohn and Binaggio there when you arrived?

Mr. MILLIGAN. That is right.

Mr. HALLEY. And they had been talking?

Mr. MILLIGAN. I presume they had.

Mr. HALLEY. After you had said hello—I presume you said hello?

Mr. MILLIGAN. Yes.

Mr. HALLEY. Who opened the subject of the appointment of Braun?

Mr. MILLIGAN. As I have said, I think it was Binaggio because I remember distinctly stating that the fellow was not qualified under the law and attempting to confirm it by Cohn, saying, "Bob, you know under the law he isn't qualified."

Mr. HALLEY. Is that the first suggestion Binaggio ever made to you as to a change or anything to be done in the police force?

Mr. MILLIGAN. As well as I remember, yes.

Mr. HALLEY. Did he ever make any other suggestions at any other time?

Mr. MILLIGAN. Oh, yes; yes, sir. He talked to Chambers and me about changing the chief detective, Collins. I told him that I would not agree to put Collins out as chief of detectives.

Mr. HALLEY. Where did this conversation take place?

Mr. MILLIGAN. That was at the Phillips Hotel at a party given for Sheridan Farrell shortly after he was appointed commissioner.

Mr. HALLEY. Did Binaggio pick you out or were you there together?

Mr. MILLIGAN. I don't remember. There were 100 or 200 people there.

Mr. HALLEY. You and Chambers and Binaggio got into a corner?

Mr. MILLIGAN. That is right.

Mr. HALLEY. Was anyobdy else there?

Mr. MILLIGAN. You mean in that conversation?

Mr. HALLEY. In this conversation.

Mr. MILLIGAN. No.

Mr. HALLEY. What did Binaggio say?

Mr. MILLIGAN. He was talking about changing the chief of detectives, Frank Collins.

Mr. HALLEY. You say he was talking to Chambers?

Mr. MILLIGAN. I mean he addressed the remark to Chambers about changing the chief of detectives.

Mr. HALLEY. You mean the remark was mainly addressed to Chambers?

Mr. MILLIGAN. That is right.

Mr. HALLEY. Was that because he felt you were with him?

Mr. MILLIGAN. That I was—

Mr. HALLEY. Had you discussed this matter with him before?

Mr. MILLIGAN. No, sir; I had not.

Mr. HALLEY. What did he say about changing the chief of detectives, Collins?

Mr. MILLIGAN. He said he thought the chief of detectives was very inefficient, that when some crime was committed, he started to hollering "dago" when there wasn't any dago at all.

Mr. HALLEY. Didn't he really say the chief of detectives wasn't his friend and wasn't friendly to his own friends?

Mr. MILLIGAN. No, I wouldn't say that. That doesn't impress me. It has been some time.

Mr. HALLEY. How do you interpret what you have just said?

Mr. MILLIGAN. I would interpret he wanted to get the chief of detectives out.

Mr. HALLEY. And wanted to put his own man in?

Mr. MILLIGAN. There was no suggestion of anyone to go in.

Mr. HALLEY. Did you ever hear of a Captain Kircher?

Mr. HALLEY. Kircher?

Mr. HALLEY. Yes.

Mr. MILLIGAN. Yes.

Mr. HALLEY. Who was he?

Mr. MILLIGAN. He was captain on the police force.

Mr. HALLEY. Did you ever talk to Binaggio about Kircher?

Mr. MILLIGAN. No.

Mr. HALLEY. Did you ever hear that Binaggio wanted to get him out?

Mr. MILLIGAN. No.

Mr. HALLEY. At no time?

Mr. MILLIGAN. At no time.

Mr. HALLEY. Did anybody ever talk to you about Kircher?

Mr. MILLIGAN. If they did I don't remember it, I don't remember any. A lot of people talked to me about police officers. Everybody had a pet police officer that they wanted to get fired. When you pinned them down, some fellow had given them a ticket or arrested them some time.

Mr. HALLEY. How often did you see Binaggio after you became a member of the police board?

Mr. MILLIGAN. Not very often.

Mr. HALLEY. Once a week?

Mr. MILLIGAN. No.

Mr. HALLEY. Are you sure you didn't see him that often?

Mr. MILLIGAN. I am sure I didn't.

Mr. HALLEY. Once every 2 weeks?

Mr. MILLIGAN. No; I wouldn't say.

Mr. HALLEY. You weren't on the police board very long?

Mr. MILLIGAN. No.

Mr. HALLEY. How many months were you on the board?

Mr. MILLIGAN. I was on about 11 months, I guess.

Mr. HALLEY. Did you see Binaggio at least 11 times in that period?

Mr. MILLIGAN. I may have. I may not. I wouldn't know.

Mr. HALLEY. Have you ever been at his clubhouse? His political club?

Mr. MILLIGAN. Once.

Mr. HALLEY. How long ago?

Mr. MILLIGAN. That was the night of the primary in 1948. The Star radio station was going to carry through the returns all night and at 12 o'clock they got sick and closed up. I went out to the Fifteenth Street First District Club where they were bringing the returns. The returns were coming in there.

Mr. HALLEY. Is that the only time you were ever there?

Mr. MILLIGAN. That is the only time I ever remember being in the First District Club.

Mr. HALLEY. Would you say you saw Binaggio at least once a month while you were on the police board?

Mr. MILLIGAN. I may have.

Mr. HALLEY. What other places did you see him? You have mentioned the party, and you have mentioned this office of Herman Rosenberg's. Where else do you think you might have seen him?

Mr. MILLIGAN. I might have met him on the street, any place else. He could come to my office. He might have come to my office, which I think he did.

Mr. HALLEY. How often did he come to your office?

Mr. MILLIGAN. Not very often.

Mr. HALLEY. Did he want things when he came to your office?

Mr. MILLIGAN. He generally wanted some patronage.

Mr. HALLEY. He wanted to get his people on the police force?

Mr. MILLIGAN. No, the civilian jobs more.

Mr. HALLEY. What was his position with reference to civilian jobs? Did he talk to you about that?

Mr. MILLIGAN. Yes, sir.

Mr. HALLEY. What did he say?

Mr. MILLIGAN. He told me that his people were not qualified to hold any job that would take any mental effort, that most of them had not much schooling, and they could be put in as car washers and scrub people and janitors and people like that.

Mr. HALLEY. Did he mention patronage?

Mr. MILLIGAN. Yes, sir.

Mr. HALLEY. Did he mention that having won the election he was entitled to the patronage?

Mr. MILLIGAN. He didn't to me.

Mr. HALLEY. How would he mention patronage without pointing that out?

Mr. MILLIGAN. He would bring it up that he would like to get some jobs for his people.

Mr. HALLEY. Didn't he mention that he won the election at tremendous expense, and the least he was entitled to was some jobs?

Mr. MILLIGAN. I don't remember a statement like that.

Mr. HALLEY. How would a practical politician talk about patronage to you? What would he say?

Mr. MILLIGAN. He would say, you have got some jobs down there that are not under the merit system, scrub people, car washers, who maybe work a week—this is my statement—work a week and then maybe quit that job and go get something else.

Mr. HALLEY. What did Binaggio say?

Mr. MILLIGAN. That he would like to have some of these jobs. I told him if his people were qualified, to send them down to the personnel officer and if they were qualified, as far as I was concerned, I would appoint them.

Mr. HALLEY. Didn't he in fact want the civil service civilian employees taken off civil service and turned into patronage jobs?

Mr. MILLIGAN. No; he never mentioned it to me.

Mr. HALLEY. He never talked to you about that?

Mr. MILLIGAN. No, sir. How are you going to do it? You couldn't do it without you changed the State law.

Mr. HALLEY. Now let's get back to the conversation you had with Binaggio and Cohn at Rosenberg's office. Did Binaggio indicate to you that you had kept certain facts from Cohn?

Mr. MILLIGAN. Certain facts?

Mr. HALLEY. Yes.

Mr. MILLIGAN. Not that I remember.

Mr. HALLEY. Have you had certain conversations with Cohn about the management of the police department?

Mr. MILLIGAN. I imagine I have. I don't remember any particular one.

Mr. HALLEY. You probably did?

Mr. MILLIGAN. I naturally would.

Mr. HALLEY. Hadn't you indicated to him it was necessary for him to go along with you?

Mr. MILLIGAN. I had not. Cohn was a commissioner the same as I. That was his job just like mine. He was the man to handle that.

Mr. HALLEY. He was the man to handle what?

Mr. MILLIGAN. His own job and do what he thought was right, and it was mine to do what I thought was right.

Mr. HALLEY. Now we are on generalities. What I want is the actual conversations. Had you ever gone to Cohn and told him that he had to go along with you?

Mr. MILLIGAN. I never told him that.

Mr. HALLEY. And with Farrell on certain appointments?

Mr. MILLIGAN. I never told Cohn anything of the kind.

Mr. HALLEY. You never mentioned to him that certain appointments had to be made for Binaggio?

Mr. MILLIGAN. No, sir; I did not.

Mr. HALLEY. And that it was necessary to change the chief of police?

Mr. MILLIGAN. No. If I would want the chief of police changed, I could have gotten him changed very easily.

Mr. HALLEY. Didn't you try it at the commission meetings?

Mr. MILLIGAN. I did not.

Mr. HALLEY. You did bring up this man Braun.

Mr. MILLIGAN. That is right, and I had no doubt that there were half a dozen other applicants for chief of police.

Mr. HALLEY. Didn't you want the chief of police changed?

Mr. MILLIGAN. No, I didn't at that time because I couldn't find anybody who was any better than he was.

Mr. HALLEY. Except that you did cause an investigation to be made of Braun.

Mr. MILLIGAN. That is right.

Mr. HALLEY. You found later by coincidence at this meeting in Rosenberg's office that Binaggio was pushing Braun for the job?

Mr. MILLIGAN. That is right.

Mr. HALLEY. Did you know that before that time?

Mr. MILLIGAN. That is right.

The CHAIRMAN. You did know that before that time?

Mr. MILLIGAN. No; he never mentioned—Binaggio never mentioned Braun to me.

The CHAIRMAN. Had he complained about the present chief of police and said "We have got to get somebody else"?

Mr. MILLIGAN. He had complained about it.

The CHAIRMAN. What was his complaint?

Mr. MILLIGAN. His complaint was that he couldn't catch a thief or a criminal, and his build-up was that Johnson and the public got the idea that every crime that was committed was committed by the Italian people from the north end.

The CHAIRMAN. Why did you feel, Mr. Milligan, that Binaggio wanted to get these changes made, so that things would be lighter on him and he could operate more openly? Is that what you thought?

Mr. MILLIGAN. I don't know about that, Senator.

The CHAIRMAN. You knew what your idea was.

Mr. MILLIGAN. Of course—

The CHAIRMAN. Did you feel Binaggio was trying to open up the city?

Mr. MILLIGAN. I felt that Binaggio would if he got an opportunity.

The CHAIRMAN. And that is the reason he wanted these changes made?

Mr. MILLIGAN. I would imagine so.

The CHAIRMAN. He was talking about the chief of detectives and the chief of police?

Mr. MILLIGAN. That is right. Of course, the chief of detectives has nothing to do with it. That is generally a different department.

I would imagine, Senator, that he would have been perfectly willing to take over the police department if he could.

Mr. HALLEY. You were willing to walk out of your office and meet in a private office with him and another police commissioner?

Mr. MILLIGAN. That is right.

Mr. HALLEY. In a place that had no official designation as an office of the police department?

Mr. MILLIGAN. That is right.

Mr. HALLEY. And to discuss there with him the possibility of appointing some successor for the present police commissioner, Johnson: is that right?

Mr. MILLIGAN. The chief of police; yes.

The CHAIRMAN. Why did they say they wouldn't come to your office?

Mr. MILLIGAN. They said Cohn didn't want to. I didn't think anything about it, Senator, because I wasn't trying to hide anything I was doing.

The CHAIRMAN. He said that Cohn didn't want to?

Mr. MILLIGAN. He didn't want to come over to my office, and I said, "Well, I will come to his." He said, "No, I want to meet you at some place else." I don't know who was there except Binaggio and Cohn. There could have been someone else there, too, but he only mentioned Cohn.

The CHAIRMAN. Did you tell Binaggio that if any changes were going to be made, he would have to go get one of these other fellows to go along on it?

Mr. MILLIGAN. No, sir; I didn't.

The CHAIRMAN. Either Cohn or Chambers?

Mr. MILLIGAN. No, I did not. I did not, Senator.

The CHAIRMAN. Anything else, Mr. Halley?

Mr. HALLEY. Yes. Was Cohn proposing Braun?

Mr. MILLIGAN. No, no. I don't think he was at all.

Mr. HALLEY. Was he opposing him? Had the thing become serious in any way?

Mr. MILLIGAN. He may have been opposing him, because as I told you, Cohn—I think it was in my office—Cohn and I told him this fellow Braun had been up to my office to see me; for him to investigate him, that I was having him investigated as well as some of these others, and see what he thought about him.

Mr. HALLEY. Had Cohn raised any objection publicly to Braun?

Mr. MILLIGAN. No.

Mr. HALLEY. I don't understand why Binaggio would have you and Cohn at a secret or private place to discuss Braun if no controversy had arisen about Braun. The meeting makes no sense.

Mr. MILLIGAN. Well, I don't know about that.

Mr. HALLEY. Did you think—

Mr. MILLIGAN. I don't think that was the purpose of the meeting in the first place. I don't know what it was.

Mr. HALLEY. Let's see if we can get at the purpose of the meeting. You and Cohn had not been getting along very well, had you?

Mr. MILLIGAN. Bob Cohn and I had been getting along. All this newspaper talk that the police board was fighting and—we agreed on practically everything.

Mr. HALLEY. We are not referring to newspaper reports, Mr. Milligan. We are now referring to the testimony of Mr. Cohn, who just left the stand.

Mr. MILLIGAN. He may have felt that way toward me.

Mr. HALLEY. Weren't you two in a series of disputes about the management of the police department?

Mr. MILLIGAN. No, I wouldn't say serious disputes. He may have had his ideas, I had my own.

Mr. HALLEY. His ideas and your own conflicted, did they not?

Mr. MILLIGAN. That is right, at times, yes.

Mr. HALLEY. On many points?

Mr. MILLIGAN. I wouldn't say many.

Mr. HALLEY. On what points did you have conflicts?

Mr. MILLIGAN. For instance we had a conflict—we would try some officer for something, and we would find him guilty and then Cohn

wouldn't want to sentence him or discharge him. Of course, to me that was very foolish, and maybe I said too frankly that it was a fine situation to find a man guilty and then not want to discharge him.

Mr. HALLEY. Can you give one specific instance in which that occurred?

Mr. MILLIGAN. I couldn't tell you the name. I think there were two detectives.

Mr. HALLEY. What were their names?

Mr. MILLIGAN. McKissick or McSissick, or some such name as that.

Mr. HALLEY. What were they discharged for?

Mr. MILLIGAN. They were not discharged.

Mr. HALLEY. What was the charge against them?

Mr. MILLIGAN. They were charged with beating a fellow up.

Mr. HALLEY. Who were they charged with beating up?

Mr. MILLIGAN. I have forgotten his name, some Italian who had a bad record himself, a very bad record, but I don't think that gave them a right, because was the worst looking man I ever saw from his pictures.

Mr. HALLEY. Did anybody complain about this beating?

Mr. MILLIGAN. Oh, he filed charges before the board.

Mr. HALLEY. Did you ever talk about that case with Binaggio?

Mr. MILLIGAN. No, sir.

Mr. HALLEY. And Cohn did not want those men discharged? Is that right?

Mr. MILLIGAN. The mayor was there and the mayor voted with Farrell and me.

Mr. HALLEY. And were the men discharged?

Mr. MILLIGAN. No; they were not discharged. They were given fines and so much time off without pay.

Mr. HALLEY. Were there any other disputes between you and Cohn?

Mr. MILLIGAN. I don't remember.

Mr. HALLEY. You disagreed on nothing else?

Mr. MILLIGAN. We may have disagreed on a number of things. I don't remember any specific instance.

Mr. HALLEY. Didn't you want, for instance, to replace a number of personnel on the force over the protest of both Cohn and Chambers?

Mr. MILLIGAN. I couldn't. I couldn't replace them under the State law unless you filed charges against them and had a public hearing.

Mr. HALLEY. You could replace the chief, couldn't you?

Mr. MILLIGAN. That is right, you could replace the chief.

Mr. HALLEY. You could remove the heads of various departments from their responsible jobs and put them in less responsible jobs?

Mr. MILLIGAN. Yes, but if you reduced them—

Mr. HALLEY. For instance, you were discussing the question of removing the chief of detectives.

Mr. MILLIGAN. That is right.

Mr. HALLEY. Would you have to file charges?

Mr. MILLIGAN. No, not to remove him, if he held his rank.

Mr. HALLEY. Would you just transfer him, isn't that right, to another job?

Mr. MILLIGAN. That is right.

Mr. HALLEY. Didn't you seek to transfer several people?

Mr. MILLIGAN. Yes, sir; I did.

Mr. HALLEY. And didn't Cohn and Chambers object?

Mr. MILLIGAN. I don't know that I discussed it.

Mr. HALLEY. Then it came right up at meetings of the board, didn't it?

Mr. MILLIGAN. If it did, I don't remember them.

Mr. HALLEY. Don't you remember arguing with Cohn and Chambers?

Mr. MILLIGAN. If you will tell me who it is, I will tell you whether I did or didn't.

Mr. HALLEY. Can't you recall that without being helped, whether or not you argued with Cohn and Chambers?

Mr. MILLIGAN. I may have argued with him about the head of the robbery squad and the head of the boosters, as they call them.

Mr. HALLEY. You wanted those two men removed and transferred?

Mr. MILLIGAN. I wanted them transferred out and put somebody else in charge of those departments.

Mr. HALLEY. And they objected, is that it, Chambers and Cohn?

Mr. MILLIGAN. They may have. I don't remember. I know I talked to the chief of police about it.

Mr. HALLEY. There were arguments about that, were there not, or at least discussions?

Mr. MILLIGAN. I imagine there was.

Mr. HALLEY. There was a difference of opinion as to whether the men should be changed?

Mr. MILLIGAN. That is right.

Mr. HALLEY. You were on one side and Cohn and Chambers were on the other?

Mr. MILLIGAN. That may have been.

Mr. HALLEY. Isn't it a fact that when you met Cohn and Binaggio at Rosenberg's, one of the purposes of the meeting was to reconcile the differences?

Mr. MILLIGAN. I have explained to you as far as I can remember the discussion that occurred on that occasion.

Mr. HALLEY. I am trying to refresh your recollection.

Mr. MILLIGAN. I wish you would.

Mr. HALLEY. Isn't it a fact that on that occasion Binaggio suggested that it should be possible for you and Cohn to get along?

Mr. MILLIGAN. He may have done that.

Mr. HALLEY. Didn't he do it?

Mr. MILLIGAN. Well, if he did—he may have, I don't remember.

Mr. HALLEY. What is your recollection? Wasn't there a discussion about you and Cohn getting together and agreeing on things?

Mr. MILLIGAN. There may have been.

Mr. HALLEY. Wasn't there?

Mr. MILLIGAN. I can't say positively because I don't remember.

Mr. HALLEY. What is your best recollection?

Mr. MILLIGAN. All right, if it will satisfy you, I will say "Yes."

Mr. HALLEY. Isn't it "Yes," not just to satisfy me?

Mr. MILLIGAN. I can't remember it.

The CHAIRMAN. If you can't remember it, you can't remember it.

Mr. MILLIGAN. I can't. I want to be helpful to the committee.

Mr. HALLEY. Didn't Binaggio say to you that we have to get along with Cohn?

Mr. MILLIGAN. To me?

Mr. HALLEY. Yes.

Mr. MILLIGAN. He may have; I don't know.

Mr. HALLEY. You wouldn't deny that he said it?

Mr. MILLIGAN. I don't remember it if he made such a statement.

Mr. HALLEY. You wouldn't deny it?

Mr. MILLIGAN. No; because he might have said it.

Mr. HALLEY. There was a little more discussion, then, than just the very brief discussion about the appointment of Braun, wasn't there?

Mr. MILLIGAN. As I mentioned, about Parker. Cohn brought up Parker's name. I don't remember anyone else's. That was practically all of the conversation, because I wasn't there over 2 minutes.

Mr. HALLEY. After the discussion of the specific names, didn't the general question of you and Cohn getting along come up?

Mr. MILLIGAN. It may have, but if it did, I don't remember it. Because I have known Bob Cohn. He is a good fellow. There is no difference between him and me.

Mr. HALLEY. You have just testified that you were having differences on the police board.

Mr. MILLIGAN. I don't think that is a personal difference.

Mr. HALLEY. We weren't talking about personal differences. When you met in Rosenberg's office with Binaggio and Cohn, you were talking about police matters, were you not?

Mr. MILLIGAN. That is right.

Mr. HALLEY. And on police matters you had been having differences with Cohn, had you not?

Mr. MILLIGAN. Well, if you want to call them differences; yes. We had not agreed on everything.

Mr. HALLEY. Wasn't Binaggio trying to get you and Cohn to agree?

Mr. MILLIGAN. That may have been his purpose.

Mr. HALLEY. Didn't he say that he wanted you and Cohn to agree?

Mr. MILLIGAN. If he did I don't remember it. I don't remember it.

Mr. HALLEY. Nothing else.

Mr. MILLIGAN. And I am not trying to keep any information that I might have from this committee.

The CHAIRMAN. Now, Mr. Milligan, did Binaggio call you on the telephone frequently?

Mr. MILLIGAN. Once in a while.

The CHAIRMAN. Once a day?

Mr. MILLIGAN. No, no.

The CHAIRMAN. What would he call you on the telephone about?

Mr. MILLIGAN. To talk to me about somebody who wanted a job, something like that.

The CHAIRMAN. Did you give his people jobs?

Mr. MILLIGAN. He might call me on something about making a recommendation for a State appointment.

The CHAIRMAN. When he was calling you about somebody wanting a job in the police department, did you give his people jobs?

Mr. MILLIGAN. Here is what we did, Senator. We would send it down to the personnel officer. He would check the party, his record as to his violating the law and other qualifications. Then the personnel officer would make a report to the board. Maybe he would have a list of them. If he needed a janitor he might have three or four people.

The CHAIRMAN. Would you ask that it be given favorable consideration on account of Mr. Binaggio, that is, would you ask the personnel director to give it favorable consideration?

Mr. MILLIGAN. No, sir. He made his independent report.

The CHAIRMAN. Some of them may have gotten in and some of them did not, is that the situation?

Mr. MILLIGAN. They may have, yes; but not many because there weren't many vacancies.

The CHAIRMAN. When this man Higgins was put in, it has been charged in the press generally and by others that that was the general signal for a show of strength of Binaggio, that that was an indication that he had gotten his finger into the police board, and that he was a man of influence, and thereafter a great many of the members of the police department felt that Binaggio was a strong man and had a lot of influence with the police department and they felt a certain amount of responsibility toward him. Were you aware of any sentiment like that?

Mr. MILLIGAN. I think that is true. I think that is true.

The CHAIRMAN. When did you become aware of that?

Mr. MILLIGAN. After Higgins went on the board.

The CHAIRMAN. How long did Higgins stay on the board?

Mr. MILLIGAN. He stayed until the day I resigned.

The CHAIRMAN. He was on there for 10 or 11 months, then?

Mr. MILLIGAN. I would say he was appointed maybe a month or so after I went on the board.

The CHAIRMAN. Did that feeling become apparent immediately after Higgins had been appointed?

Mr. MILLIGAN. No.

The CHAIRMAN. That Binaggio had gotten in with the police department through Higgins?

Mr. MILLIGAN. I think maybe that is true because of the newspaper build-up to that effect and maybe on the street.

The CHAIRMAN. That is what the newspapers said about it.

Mr. MILLIGAN. That is right.

The CHAIRMAN. That was a rather unhealthy condition, was it not?

Mr. MILLIGAN. That is right.

The CHAIRMAN. Did you know that Higgins was a friend of Binaggio's?

Mr. MILLIGAN. He was not, as I understand it; that is the information I had on it. I talked to two people about appointing Higgins. I talked to the head of the FBI, Dwight Brantley. I talked to my brother, who was district attorney, about Higgins. Those were the only two men that I talked to about appointing Higgins. I didn't talk to Binaggio or anybody else.

The CHAIRMAN. Anyway, that was signaled to be a turning point in Binaggio's influence or alleged influence with the police department.

Mr. MILLIGAN. I don't see—it may have been by rumor, but Higgins was an adviser to the board. He made recommendations to the board.

The CHAIRMAN. After that time, after the time he was appointed, wasn't there a general feeling among some of the members of the police force that Binaggio had gotten his finger in and therefore they had more respect for Binaggio?

Mr. MILLIGAN. That might have been true.

The CHAIRMAN. Do you not think that was true?

Mr. MILLIGAN. It could have been.

The CHAIRMAN. Do you know whether it was true or not?

Mr. MILLIGAN. I don't. I don't know what a man thinks, Senator.

The CHAIRMAN. I know, but you know the general impression around town as to what the result of that appointment was.

Mr. MILLIGAN. Oh, yes. The newspapers were carrying it that Binaggio appointed him.

The CHAIRMAN. In that situation, why did you not let him go when that was brought out?

Mr. MILLIGAN. I don't run out very often, Senator. I think Higgins was a good man, and I think he did some valuable work. If I was placed in the same position, I would reappoint him.

The CHAIRMAN. All right, that is all.

Mr. MILLIGAN. That is my feeling. My judgment may be wrong. I think he is one of the best detectives in the United States. He had no political connections of any kind except that he was a Democrat.

The CHAIRMAN. And he wasn't recommended to you by Binaggio at all?

Mr. MILLIGAN. He was not, Senator. I talked to two men about Higgins, and I told you who they were, Dwight Brantley and my brother.

The CHAIRMAN. Who first recommended Higgins to you?

Mr. MILLIGAN. No one. I thought of him myself, because I knew Tom Higgins' reputation as being a detective, and we had 22 murder cases that were unsolved.

The CHAIRMAN. You had known him a long time?

Mr. MILLIGAN. Yes.

The CHAIRMAN. All right, that is all.

Anything else, Mr. Halley?

Mr. HALLEY. I have nothing more.

The CHAIRMAN. That is all, Mr. Milligan. Thank you.

Mr. MILLIGAN. Am I relieved of the subpoena?

The CHAIRMAN. You are relieved unless we call you further. If we need you any more we will call you on the telephone. You are relieved unless we get in touch with you.

(Witness excused.)

The CHAIRMAN. Call Mr. Klein.

Mr. Klein, do you solemnly swear the testimony you will give this committee will be the whole truth and nothing but the truth, so help you God?

Mr. KLEIN. Yes, sir.

The CHAIRMAN. You may be seated, sir.

**TESTIMONY OF MORRIS (SNAG) KLEIN, ACCOMPANIED BY  
LOUIS WAGNER, ATTORNEY, KANSAS CITY, MO.**

Mr. WHITE. What is your full name?

Mr. KLEIN. Morris Klein.

Mr. WHITE. Also known as Snag?

Mr. KLEIN. Yes, sir; that is a nickname I got when I was playing basketball in high school.

Mr. WHITE. At the moment you are a prisoner in the Federal penitentiary?

Mr. KLEIN. Yes, sir.

Mr. WHITE. Mr. Klein, were you acquainted with Charles Binaggio?

Mr. KLEIN. Yes, sir.

Mr. WHITE. Were you a business partner of his in any enterprise?

Mr. KLEIN. Yes, sir.

Mr. WHITE. In what enterprises were you in partnership with him?

Mr. KLEIN. I was in partners with him in the gambling business, the Missouri Electric & Construction Co., the Ace Sales, Inc.

Mr. WHITE. What were the gambling enterprises in which you were in partnership with him?

Mr. KLEIN. At Green Hills.

Mr. WHITE. Any others?

Mr. KLEIN. No, sir.

Mr. WHITE. Were you a partner of his in the News Service?

Mr. KLEIN. No, sir.

Mr. WHITE. You were in the News Service, however?

Mr. KLEIN. Yes, sir.

Mr. WHITE. But Binaggio was not?

Mr. KLEIN. No, sir.

Mr. WHITE. Did you have any other gambling enterprises in common with Binaggio at all?

Mr. KLEIN. No, sir.

Mr. WHITE. Did you have any gambling enterprises in Omaha, Nebr.?

Mr. KLEIN. Yes, sir.

Mr. WHITE. What was the name of that place?

Mr. KLEIN. May I ask a question, please, sir?

Mr. WHITE. Yes.

Mr. KLEIN. Is any of this incriminating? Is any of this going to be given to other sources or am I just answering this to this committee?

Mr. WHITE. This is an executive session of the committee. As to whether or not this information will be made public is up to the committee.

Mr. HALLEY. We should tell you this, Mr. Klein. You have a right to refuse to answer questions which would tend to incriminate you under some Federal statute or law.

Mr. KLEIN. By that I mean we testify to the grand jury and some of the information as I later learned was turned over to the State and that is incriminating. So therefore that is the reason I am asking these questions. Will this be incriminating to me now or later?

Mr. HALLEY. If they are, you have no privilege against self-incrimination under State law. The privilege is confined to crimes which involve Federal law when you are testifying before this committee.

The CHAIRMAN. This committee is not trying you for anything. We are trying to find out what the facts are relative to the resolution that we have.

Mr. KLEIN. I see.

The CHAIRMAN. This session is of course an executive session. As to what findings we make on our report—is this your attorney?

Mr. WAGNER. My name is Louis Wagner, 1212 Dierks Building, Kansas City.

The CHAIRMAN. Mr. Wagner, you heard Mr. Klein ask what use would be made of this testimony. I told him that this was a Senate hearing, not a trial for anything. We are not charging Mr. Klein with any offense. We have of course no jurisdiction to try or to sentence anybody. We also advised him that the rule of incrimination in a United States Senate hearing only applied as to any Federal offense, that he has no privilege not to testify here on the fear that what he says might be used against him in any State matter.

Mr. WAGNER. I think what is mostly concerned with is whether or not the evidence adduced here will be put in the hands of some law-enforcement agency for prosecution by them. Or is the evidence to be kept secret within the committee?

The CHAIRMAN. This is an executive session of the committee.

Mr. WAGNER. The testimony that Mr. Klein will give today will not be placed in the hands of any law-enforcement agency?

The CHAIRMAN. The testimony that he is giving today is being given in executive session. It will be on this testimony that later on we will give our report. It is also possible that later on we may have a public hearing when of course Mr. Klein may be called on to testify about matters in public.

Mr. HALLEY. The committee would have to vote. I should think you would have to have a full committee to make a definite commitment of any kind as to the use of the testimony. However, you are testifying now before the chairman of the committee. He has expressed that it is his feeling and disposition that he would want to see this evidence given fully and freely. I think we can go as far as to say that his recommendation to the committee would depend in great part upon the nature of your testimony and the willingness with which you testify about the matters involved here.

The CHAIRMAN. I can say that we are not here for the purpose of getting testimony to turn over to anybody else. That is not our purpose.

Mr. WAGNER. I understand. My purpose was this: I was employed at a late date. I never had an opportunity to check the authority of this committee or what disposition it can make of any evidence that is presented to them. I understand now that the witness here cannot invoke his constitutional privilege.

Mr. HALLEY. Of course he can.

Mr. WAGNER. He can do that!

Mr. HALLEY. But his privilege before any Senate committee only goes to matters pertaining to Federal violations not to State violations.

Mr. WAGNER. I see.

The CHAIRMAN. For instance, if we should ask him about a violation of the Mann Act, or something of that sort, and he thought he had some facts that if he gave them to us might result in his indictment or a prosecution for violation—a Federal violation—of the Mann Act, then he would have a right to invoke the privilege.

Mr. WAGNER. I take it the committee has no authority to interrogate the witness insofar as any State offense is concerned.

Mr. HALLEY. They have full authority to interrogate the witness.

Mr. WAGNER. I thought—

The CHAIRMAN. That is part of our responsibility, to find out if the vehicle of interstate commerce is being used for the purpose of violating State law.

Mr. WAGNER. I mean strictly intrastate crime. I thought when you read this memorandum this morning you only dealt with crime in interstate commerce.

The CHAIRMAN. That is our jurisdiction, that is correct. I think we will get along all right, Mr. Wagner.

Mr. HALLEY. Go ahead.

Mr. WHITE. What was the operation in Omaha, Nebr., or Council Bluffs, or both, that you were connected with, and who were the partners in that operation?

Mr. WAGNER. I might ask you at this time, which I overlooked. In the event we intend to invoke the constitutional privilege, do I take the lead? Do I advise my client in open court?

Mr. HALLEY. You may advise him not to answer, but he will have to state under oath that the answer he gives would tend to incriminate him. Unless he says it would tend to incriminate him, under Federal law, the committee will not recognize the privilege.

Mr. WAGNER. At this time I advise my client to refuse to answer because it might tend to incriminate him.

Mr. HALLEY. The "might" will not be sufficient.

Mr. WAGNER. Might tend to.

Mr. HALLEY. You will have to say it would tend to incriminate him.

Mr. WAGNER. Would tend to incriminate him.

Mr. HALLEY. Do you so state?

Mr. KLEIN. Yes, sir. I would say it would tend to incriminate me.

The CHAIRMAN. Of a Federal offense?

Mr. KLEIN. No, sir.

The CHAIRMAN. Then you have no privilege.

Mr. KLEIN. Yes, sir. Will you please repeat the question?

Mr. WHITE. What was the gambling operation in Omaha that you were connected with?

Mr. KLEIN. The Stork Club. That was at Council Bluffs, sir.

Mr. WHITE. Across the river in Council Bluffs?

Mr. KLEIN. Yes, sir.

Mr. WHITE. Who were the partners in that club?

Mr. KLEIN. Mr. Hutter, Charles Hutter, George Beskas—Would you want me to say Osadchey or Spitz?

Mr. WHITE. Either way.

Mr. KLEIN. Spitz, Mr. Eddie Spitz. There is Fred Weyerman, Fred Barnes. There is a fellow named Einer. I don't know whether that was his first name—Einer Abramson, and Max Abramson.

Mr. WHITE. Mr. Klein, what was the period when you and Eddie Spitz joined the gambling establishment? When did you and Eddie Spitz become partners in this gambling operation?

Mr. KLEIN. This is vague. I think it was the fall of 1947.

Mr. WHITE. Had this gambling place been in operation before that time?

Mr. KLEIN. To my knowledge I would say "Yes."

Mr. WHITE. So far as you know, was it operated by the remainder of the partners that you have just named?

Mr. KLEIN. I couldn't answer that fairly.

Mr. WHITE. Who was operating the place when you joined it, when you and Eddie Spitz joined it?

Mr. KLEIN. There was a fellow named Berman, I think, was operating the place at that time.

Mr. WHITE. On what basis did you become a partner in this club?

Mr. KLEIN. We bought half interest for \$20,000.

Mr. WHITE. Who furnished the money for that?

Mr. KLEIN. We sold half interest at that particular time or that afternoon or that following day to the other four mentioned fellows for \$20,000, and they put the money up.

Mr. WHITE. For how much, \$20,000?

Mr. KLEIN. \$20,000.

Mr. WHITE. So it didn't cost you anything? How were you able to arrange this promotion at no cost to yourself?

Mr. KLEIN. Mr. Hutter made the arrangements.

Mr. WHITE. What was Hutter's position in the partnership?

Mr. KLEIN. How do you mean that, sir?

Mr. WHITE. You say he made the arrangements. Was he one of the original owners of the Stork Club?

Mr. KLEIN. No, sir. I think Hutter had the wire service, and I think that Mr. Berman, who was operating the club at that time, was operating at a loss. He wanted to get out from under the place. I don't know just exactly what the transactions were at the time, but Mr. Hutter came down and talked to Mr. Spitz and they explained the deal, and that is how we happened to go into the place. He made the deal with one of the four, that is Weyerman, Barnes, or one of the Abramson brothers. I don't know which one he negotiated the deal with.

Mr. WHITE. What wire service was this, by the way, that the Stork Club used?

Mr. KLEIN. Mr. Goldschein, what were the names of those two wire services, do you remember?

Mr. GOLDSHEIN. In Council Bluffs?

Mr. KLEIN. Yes, sir. In Omaha they had two wire services. They had two. If you mentioned the names I could tell you the one of them.

The CHAIRMAN. Harmony?

Mr. KLEIN. Yes, they were taking service from the Harmony at one time.

The CHAIRMAN. Did you get wire service from Kansas City and Omaha, Nebr.?

Mr. KLEIN. I didn't understand the question.

The CHAIRMAN. Where did you get your wire service from in the Council Bluffs place?

Mr. KLEIN. At first I imagine it came through Kansas City, through a wire that went around several States or cities.

Mr. WHITE. Was that the same wire that belonged to the Harmony News Service and was operated by Simon Partnoy and with which you later became connected?

Mr. KLEIN. At one time that service was given to that section, and then it was discontinued and they got the service from someone else.

Mr. WHITE. At the time you were connected with the Stork Club, were you also connected with the Partnoy operation?

Mr. KLEIN. With the Harmony, the Universal Distributing Co.; yes, sir.

Mr. WHITE. In Kansas City?

Mr. KLEIN. Yes, sir.

Mr. WHITE. Did the circuit that you had anything to do with, the wire service here, have any bearing of an acquisition of an interest in the Stork Club?

Mr. KLEIN. No, sir.

Mr. WHITE. That was just a coincidence that you and your associates who controlled the wire service here decided or were offered an opportunity to buy into the Stork Club in Council Bluffs?

Mr. KLEIN. I wouldn't say it was a coincidence. The partners who were in the wire service were partners in the Council Bluffs place. It happened, as I said, the fellow who was operating the place didn't know anything about operating the place and he was operating, I understand, at quite a loss.

Mr. WHITE. Where did you understand that from?

Mr. KLEIN. Just words, after you get up there and you hear people saying he couldn't make any money, and the place was losing money.

Mr. WHITE. It has been alleged, Mr. Klein, that the entrance of yourself and Eddie Spitz into the Stork Club operation was one which was made more or less by force, that you entered there against the will of the former owners. Is there any basis for that?

Mr. KLEIN. To my knowledge I would say that is false.

Mr. WHITE. Who actually made the negotiations for the purchase of this partnership which you say cost you and Spitz nothing?

Mr. KLEIN. Let me understand that now. Do you mean who they negotiated the deal originally with or who did—Mr. Hutter negotiated with one of Barnes or Weyerman or one of those fellows. Then he came down and talked to Spitz, I think.

Mr. WHITE. Why did Mr. Hutter need either you or Spitz?

Mr. KLEIN. He didn't know anything about running the place. I guess he did it because he knew Spitz. I don't know how or where or when.

Mr. WHITE. After you acquired this interest, did you take over active management and control of the place?

Mr. KLEIN. I did for a while; yes. I went up there with this George Beskas, and I stayed there for a couple of weeks until it got started, and then I left. I went up there, I won't say at weekly intervals or 2-week intervals, but I did go up there on numerous occasions.

Mr. WHITE. How much time did Eddie Spitz spend in the operation of the place?

Mr. KLEIN. Very, very little.

Mr. WHITE. What income did you derive from the partnership? How much money did you make out of it?

Mr. KLEIN. Truthfully, I don't remember, sir. I would have to look it up.

Mr. WHITE. What is your best guess as to how much you made?

Mr. KLEIN. For the full period?

Mr. WHITE. Yes. How much money did you make out of the Stork Club altogether?

Mr. KLEIN. This would be strictly a guess. I would say around \$20,000 to \$25,000.

Mr. WHITE. Did Eddie Spitz make approximately the same?

Mr. KLEIN. Yes.

The CHAIRMAN. That is over a period of how long?

Mr. KLEIN. Over the entire period, 1947 until the present time.

The CHAIRMAN. Is it still running?

Mr. KLEIN. No, sir.

The CHAIRMAN. When did it close?

Mr. KLEIN. It closed in the fall of last year.

The CHAIRMAN. Was that after the sheriff got subpoenaed down here before the grand jury, the sheriff of that county over there?

Mr. KLEIN. I don't know the sheriff of that county. I know it was closed—I would say in the late summer or early fall of last year.

Mr. WHITE. That was about a 2 years' run then so far as you were concerned.

Mr. KLEIN. I would say closer to a 3-year run, about 2½ years; yes.

Mr. WHITE. So between you and Eddie Spitz you believe you took out somewhere in the neighborhood of \$50,000?

Mr. KLEIN. Yes, sir.

Mr. WHITE. What percentage of the operation did that represent?

Mr. KLEIN. I think I had 10½ percent, and I think Mr. Spitz had 10½ percent.

Mr. WHITE. That would be 21 percent.

Mr. KLEIN. Yes, sir.

Mr. WHITE. Between you. During that period were you also a partner in the Last Chance gambling establishment?

Mr. KLEIN. That is when, sir, 1947?

Mr. WHITE. During the same period you were engaged in the Council Bluffs enterprise.

Mr. KLEIN. That is a question that I would attempt to answer this way: I had been in the Last Chance on several occasions. They have been open and they have been closed. I have been in the Last Chance at times that they have been open, and I haven't been in at times that they have been open.

Mr. WHITE. When you say you have been in, you mean in as partners?

Mr. KLEIN. Yes, sir; I am sorry. I think that I was in partners in 1947. They have been open and closed on numerous occasions and as I have said they have been open many times that I haven't been in as a partner.

Mr. WHITE. During the time that you were in as a partner, what percentage of the partnership did you have?

Mr. KLEIN. That varied, sir. That varied from a fourth of 37½, I think, around 9 percent up to about 17½, 18 percent, something like that.

Mr. WHITE. What determined this fluctuating percentage held by yourself?

Mr. KLEIN. The amount of partners that would be there and sometimes wouldn't be there.

Mr. WHITE. Who determined how many partners would be there or absent?

Mr. KLEIN. Just the partners themselves. Sometimes they wouldn't want to be in partners. Other times they would want to be in partners.

Mr. WHITE. What was your average income from the operation of this place during the time that you were a partner?

Mr. KLEIN. Sir, I think you have got me there. That varied on numerous occasions. It would be very hard for me to judge that.

Mr. WHITE. What would you say was the total income that you received from your entire participation?

Mr. KLEIN. This is strictly a guess. I would say around \$10,000 or so.

Mr. WHITE. When you say "or so" does that mean 10 or 20.

Mr. KLEIN. It could be 10 or 12. It may be 8. It could be 15. I don't exactly remember.

Mr. WHITE. How much of an investment did you have in this place?

Mr. KLEIN. We just put up the bank roll.

Mr. WHITE. In other words, your percentage of income was controlled by the percentage of the bank roll that you put up?

Mr. KLEIN. Yes; I guess that is the way.

Mr. WHITE. If you put up 5 percent of the bank roll you would be entitled to 5 percent of the income?

Mr. KLEIN. Of the income; yes, sir.

Mr. WHITE. The total bank roll was \$10,000?

Mr. KLEIN. Yes, sir.

Mr. WHITE. Who decided whether or not you could become a partner?

Mr. KLEIN. No one.

Mr. WHITE. Could I or any one else have gone up to the place and said, "I have a thousand dollars, and I would like to be a 10 percent partner here."

Mr. KLEIN. Well, I don't think it was worked that way. I think the fellows who were in the gambling business just got it between themselves. They would open a place or would not open a place.

Mr. WHITE. That is the point. Who were these people in the gambling business who would decide to open or not to open with respect to this particular Last Chance gambling place?

Mr. KLEIN. The place was owned by John Goulding. I think it is G-o-u-l-d-i-n-g. Whether he had any partners or not, I don't know. Then the partners—there would be Mr. Spitz, Mr. Lococo, and Mr. Gargotta, and myself. Then at times there was Mr. Friedlander and Mr. McElroy.

Mr. HALLEY. Gizzo?

Mr. KLEIN. Gizzo? Is that what you said, sir?

Mr. HALLEY. Yes.

Mr. KLEIN. No. He was never a partner there.

Mr. WHITE. He never was a partner there?

Mr. KLEIN. No, sir; not to my knowledge. He never was a partner of mine.

Mr. WHITE. During this same time at any time during this same period did you also have an interest in the Green Hills gambling place?

The CHAIRMAN. Let us ask one or two questions about the Last Chance before you leave it. Is that the place on the line between Kansas and Missouri?

Mr. KLEIN. Yes.

The CHAIRMAN. Half in one State and half in the other?

Mr. KLEIN. Now——

The CHAIRMAN. Anyway it is a place——

Mr. KLEIN. It was supposed to be on a line that there was some controversy as to whether it was in Missouri or Kansas.

The CHAIRMAN. It was also called the State Line Gambling place, wasn't it, the State Line Club?

Mr. KLEIN. No, sir. I think you are thinking of the State Line Tavern that was across the street. I think this was only known as the Last Chance.

The CHAIRMAN. Anyway, at the Last Chance if the Missouri officers came they would move the operation to Kansas and if the Kansas officers came you would move it over to the Missouri side.

Mr. KLEIN. I have heard them say they do that but I have never seen it done.

The CHAIRMAN. Did you have a wire service out there so you could make horse bets?

Mr. KLEIN. The last time they were in operation they had a wire service.

The CHAIRMAN. That was supplied by Harmony News Service here in Kansas City?

Mr. KLEIN. Yes, sir.

The CHAIRMAN. Was Charlie Binaggio ever a partner with you or had any interest in that operation with you?

Mr. KLEIN. No, sir.

The CHAIRMAN. In the Last Chance?

Mr. KLEIN. No, sir.

The CHAIRMAN. He had no interest in the bank roll?

Mr. KLEIN. The only time I was ever in partners with Mr. Binaggio in the gambling business was at Green Hills.

The CHAIRMAN. Who did you sell the Last Chance out to when you left it?

Mr. KLEIN. I just drew down the amount of bank roll that I had, and I think there were a little winners. I just took my share of that and didn't sell out to anyone. There wasn't anything to sell.

The CHAIRMAN. Who did you sell your interest to in the Stork Club?

Mr. KLEIN. I haven't sold it to anyone. I can sell—

The CHAIRMAN. Do you own the building over there?

Mr. KLEIN. The Stork Club?

The CHAIRMAN. Yes, Council Bluffs.

Mr. KLEIN. About 220 to 230 miles.

The CHAIRMAN. All right. Excuse me, Mr. White.

Mr. WHITE. During the time that the Last Chance was receiving the wire service were you also a partner in the wire-service operation?

Mr. KLEIN. At the Last Chance?

Mr. WHITE. When you were a partner in the Last Chance were you also a partner in the operation of the wire service?

Mr. KLEIN. Yes, sir.

Mr. WHITE. You are still a partner in the wire service, aren't you?

Mr. KLEIN. No, sir.

Mr. WHITE. When did you withdraw from that?

Mr. KLEIN. Shortly before I entered the penitentiary.

Mr. WHITE. What did you do to withdraw? Did you sell your interest to anyone or abandon it?

Mr. KLEIN. I took out the amount of earnings that was in there plus one-fourth of the amount of money that we had paid Mr. Partnoy and that was all. I didn't sell anything.

Mr. WHITE. How much did that amount to, this last figure that you mentioned?

Mr. KLEIN. Around \$3,000.

Mr. WHITE. You say you took back the amount of money you paid Mr. Partnoy. What was the basis of your recovering the amount of money you paid Partnoy?

Mr. KLEIN. Mr. Partnoy received \$7,500 for, I would say, equipment, furniture, and things of that nature, and I think they deducted \$100 a year depreciation. That left \$7,200, as I say, one-fourth of the amount of money that I had invested in there.

Mr. WHITE. That was your original investment?

Mr. KLEIN. Yes, sir.

Mr. WHITE. Was that the year 1947 when you originally invested in the wire service?

Mr. KLEIN. I think it was 1947; yes, sir. Are you sure it was 1947, or was it maybe 1946?

Mr. WHITE. I am asking you. It is your testimony.

Mr. KLEIN. The dates are sort of vague to me now. I have been gone and haven't had any of these things in front of me.

Mr. WHITE. It was either 1946 or 1947?

Mr. KLEIN. I am almost positive it was 1947; yes, sir.

Mr. WHITE. Are you positive that the amount was \$7,500 that you and your partners paid to Mr. Partnoy for the fixtures, assets, franchise, and good will of the Harmony News Service?

Mr. KLEIN. Yes, sir; I am almost sure it was \$7,500.

Mr. WHITE. In that period you were associated with whom in the wire service business?

Mr. KLEIN. Mr. Spitz, Mr. Lococo, and Mr. Gargotta. We were connected—Mr. Spitz, Mr. Gargotta, Mr. Lacoco, and I were connected with the wire service. Mr. Spitz as the Universal Distributing Co.; Mr. Partnoy was with the Harmony Publishing Co.; and Mr. Spitz was the negotiator of the Universal, and he negotiated business with Mr. Partnoy, the Harmony Publishing Co.

Mr. WHITE. What was the Universal News Service? Was that a customer of Harmony?

Mr. KLEIN. No, sir. I would say Harmony was a customer of Universal.

Mr. WHITE. Where did the Universal News originate?

Mr. KLEIN. The company was formed when that service was brought to Kansas City.

Mr. WHITE. That is what I am trying to establish. Where was the service brought from? Who operated the incoming wire that Universal purchased?

Mr. KLEIN. That is the fellow that Mr. Spitz—someone—he could tell you more about that than I can. The only thing I know is that Mr. Spitz had the service, and then he came to me. That is how I became interested in the wire service.

Mr. WHITE. Prior to 1946 or 1947, whenever you and Spitz and others became interested in the wire service, there was another service known as Harmony, is that correct, Harmony News Service?

Mr. KLEIN. Do you mean a service of its own, or do you mean the name of the company, the Harmony? The Harmony Publishing Co. was a place that, we will say, had an office, and they distributed service to customers. They received their service from—this is strictly a

guess—from either Cleveland, Chicago—Well, I will leave it just Cleveland or Chicago.

The CHAIRMAN. Continental?

Mr. KLEIN. Yes, sir; that was it, Continental. They got their service from Continental.

Mr. WHITE. At that time did a new service from outside of the State come into Kansas City?

Mr. KLEIN. Yes, sir.

Mr. WHITE. What was that new service?

Mr. KLEIN. What was the name of it?

Mr. WHITE. Trans-America?

Mr. KLEIN. Trans-America, yes, sir.

Mr. WHITE. So Universal was a customer of Trans-America in competition with Harmony who was a customer of Continental, is that correct?

Mr. KLEIN. I guess that would be it, yes, sir.

Mr. WHITE. Who operated the Trans-America Co., do you know?

Mr. KLEIN. No, sir. I think that Trans-America came in, and that is when Mr. Partnoy switched or changed from the Continental to the Trans-America.

Mr. WHITE. Do you know who was representing Trans-America in Kansas City?

Mr. KLEIN. No, sir; I do not.

Mr. WHITE. Did Spitz ever discuss with you the opening of this new information service?

Mr. KLEIN. No. That is when Spitz came to me and told me that he had service.

Mr. WHITE. Did he say how he acquired it, or did he give you any history of the news service in to the city?

Mr. KLEIN. Vaguely I would say he had this College Inn Bar, and I think that they said that some friend of his, or something, came through here and he met him or he was drinking or something—

Mr. WHITE. Did he say where the friend came from?

Mr. KLEIN. No, sir; I don't think he did.

Mr. HALLEY. May I help? I think you said some time ago that the wire service came from either Cleveland or Chicago.

Mr. KLEIN. Yes, sir; that is where I think it did come from.

Mr. HALLEY. Isn't it a fact that Trans-America comes from Chicago?

Mr. KLEIN. I really don't know. I wasn't too sure of it. I understand that checks were made payable to the Trans-America in Chicago. Whether that is the main office or whether that is a substation I really wouldn't know.

Mr. HALLEY. What would they do? Take the checks and mail them to Trans-America in Chicago?

Mr. KLEIN. Sir?

Mr. HALLEY. They would take the checks and mail them to Trans-America in Chicago for the service?

Mr. KLEIN. Mail them, did you say?

Mr. HALLEY. Yes, sir.

Mr. KLEIN. Yes; they would send the weekly check from here to the office or substation, whatever it would be, in Chicago.

Mr. HALLEY. You understood that Chicago interests ran Trans-America?

Mr. KLEIN. That Chicago did what, sir?

Mr. HALLEY. That people from Chicago ran Trans-America, didn't they?

Mr. KLEIN. I really don't know. I don't know who ran Trans-America. I don't even know who runs Continental. I didn't know who ran Continental.

Mr. WHITE. In this period there were for a short time two wire services operating in competition with each other?

Mr. KLEIN. For a very short time, I would say yes.

Mr. WHITE. How did the new wire service owned by yourself, Eddie Spitz, Lacoco, and Gus Gargotta—

Mr. KLEIN. That is Charles Gargotta.

Mr. WHITE. Charles Gargotta, excuse me. How did you get the customers to buy your service?

Mr. KLEIN. There wasn't any—I will say or I guess I would have to answer it this way: The customers were on the service, and when they had the two services, one dropped out because of lack of business, and Mr. Partnoy took over the Trans-America service.

Mr. WHITE. Why would a bookmaker—and I assume that bookmakers were your customers; is that right?

Mr. KLEIN. I imagine so.

Mr. WHITE. Why would a bookmaker buy two services?

Mr. KLEIN. He didn't buy two. He just bought one.

Mr. WHITE. Why would he abandon the Harmony Service and buy the new Trans-America service?

Mr. KLEIN. Truthfully, he didn't have to abandon, because one service just dropped out, and there was only one service in Kansas City.

The CHAIRMAN. They merged?

Mr. KLEIN. I don't think they did at first, sir. I think they did later. I think at that particular time it was on a competitive basis.

Mr. WHITE. Mr. Klein, the point I am trying to get at is that Simon Partnoy for a good many years had been running a racing information service here known as the Harmony News Co.

Mr. KLEIN. Are you asking or telling me?

Mr. WHITE. I am starting a question.

Mr. KLEIN. Oh.

Mr. WHITE. In 1947 a competing outfit known as the Trans-America started, and you and your associates had the franchise for Trans-America here in Kansas City. Immediately thereafter the customers of Harmony News Service stopped buying from Harmony and started buying news from Trans-America. What inducement did you give in the way of lower prices or better service or whatever it was?

Mr. KLEIN. No, I don't want to say you are misinformed because that isn't the proper word, but they didn't stop buying from one, and there wasn't any inducement. Here are two services. You are running the service on a competitive basis. Mr. Partnoy was with the Continental, as you say, for a number of years. He received a salary, we will just put it \$75 a week. I will try to make my point clear. He was offered \$7,500 plus, I think, \$125 a week, plus a percentage of the profits to abandon the Continental wire service and join over to the Trans-America. In doing so he didn't have to go to each individual person and say "You take wire service from this or this." One wire service was disconnected, I imagine that is what they would do, and the other wire service was connected, and they did not know

whether they were buying service from the Continental or from Trans-America.

Mr. WHITE. Do you maintain, then, that Partnoy was an employee of Continental at say \$75 a week or some other similar salary?

Mr. KLEIN. Yes, sir.

Mr. WHITE. How could he sell the franchise of Continental for the fixtures, good will, et cetera that you said you paid \$7,500 for?

Mr. KLEIN. That is something that I really couldn't question or answer. He had been in this business or this particular office for a number of years. He had deposits up. Whether they were his or the Continental's I don't know. Whether he owned the tables and telephones and the name, is another thing that I really don't know. But he sold what he did have, if he had anything, for \$7,500.

Mr. WHITE. Then he fed the same customers your news service instead of Continental News Service?

Mr. KLEIN. That is correct, sir.

Mr. WHITE. You said earlier you were a partner in the Green Hills gambling enterprise. Will you please tell us who else were the partners in that gambling establishment?

Mr. KLEIN. You mean the first time, sir, or the numerous occasions?

Mr. WHITE. From the time when you first joined it.

Mr. KLEIN. I think we were open there three times, and I think the first time there was Mr. Jacoco, Mr. Gargotta, Mr. Binaggio, Mr. Wedow, and myself, Morris Klein. Then we opened again and I think they were open for around 18 days or so, and I think the same partners were there, plus—I am not too positive of the exact dates and the names, but if they don't fit at one time they fit at another time. Mr. McElroy and then this Mr. Friedlander. Then we opened again, and I think there was Mr. Friedlander, McElroy, and their group. I don't know just exactly what their group consisted of. And Mr. Wedow, Mr. Gargotta, Mr. Lacoco, and I.

Mr. WHITE. You were partners at all times when the place was open, to your knowledge?

Mr. KLEIN. Yes, sir.

Mr. WHITE. What percentage of this operation did you have?

Mr. KLEIN. That varied from 20 percent to, I would judge, around 10 or 12 percent.

Mr. WHITE. What was the basis of your varying percentages here?

Mr. KLEIN. The first time we were there, there were five partners. Then later on when Friedlander and McElroy and that group came in, that increased the partnership and lowered your rate of profit.

Mr. WHITE. Mr. Klein, I wish you would explain to me why new partners are associated in a going enterprise with a resultant loss of profit to each of the original partners.

Mr. KLEIN. There isn't a going enterprise. The place was closed, and each group has a following that certain people will follow certain groups because they have confidence in certain people. You take them in, and your percentage decreases, but your business increases. So actually you are not doing, so actually—I should have stopped at that time. The percentage decreases and your profit or business increases.

Mr. WHITE. In other words, you are just buying good will when you take the new partners in; is that the explanation?

Mr. KLEIN. I won't say you are buying good will.

Mr. WHITE. You are buying customers.

Mr. KLEIN. Someone who is watching the business and also you are acquiring new customers.

Mr. WHITE. In the last 10 years, Mr. Klein, have you had any sources of income other than gambling activities?

The CHAIRMAN. Wait just a minute, Mr. White. This Green Hills—is that Charlie Gargotta that was one of the partners?

Mr. KLEIN. Yes, sir.

The CHAIRMAN. Was Binaggio one of the partners?

Mr. KLEIN. Yes, sir; at one time.

The CHAIRMAN. What interest did he have?

Mr. KLEIN. He had 20 percent at one time.

The CHAIRMAN. What did Gargotta have?

Mr. KLEIN. Twenty percent.

The CHAIRMAN. What did you have?

Mr. KLEIN. Twenty percent.

The CHAIRMAN. How much did that pay, generally, a month? Twenty percent?

Mr. KLEIN. I think the first year we were in operation—I am guessing again, sir—I think it was around \$10,000 to \$12,000 made per person, and the following year I think there was around \$25,000 made per person.

The CHAIRMAN. Did you have a wire service out there?

Mr. KLEIN. Yes, sir.

The CHAIRMAN. Depending on which was operating then, was that with one or the other, Harmony or Trans-America?

Mr. KLEIN. At Green Hills?

The CHAIRMAN. Yes.

Mr. KLEIN. The first time that we were——

The CHAIRMAN. Did you take horse betting out there?

Mr. KLEIN. Yes, sir.

The CHAIRMAN. The first time you were what?

Mr. KLEIN. We were in operation there; we had service from the Harmony, I would say. We were not connected with the wire service at that time.

The CHAIRMAN. Did Gargotta and Binaggio come out and actively help in the running of the place?

Mr. KLEIN. Mr. Gargotta was there every day. Mr. Binaggio was there on an average of 3 days to 4 days a week.

The CHAIRMAN. When he was there would he participate in the operations?

Mr. KLEIN. Yes, I would say that he did up to a certain point. He would stand around and watch.

The CHAIRMAN. Did he handle some of the gaming devices?

Mr. KLEIN. Yes, sir. He would stand at the dice table.

The CHAIRMAN. You had dice tables, roulette, wire service, slot machines?

Mr. KLEIN. No, sir. All we had there was dice tables and wire service, horses.

The CHAIRMAN. Which was the bigger operation, the horses or the dice tables?

Mr. KLEIN. How do you mean that, sir?

The CHAIRMAN. Which one took in the more money?

Mr. KLEIN. I would say the dice table took in the most money. The horses did more business and you had more customers.

The CHAIRMAN. Each of you had 20 percent. How many more were there in this partnership?

Mr. KLEIN. Outside the three that you mentioned?

The CHAIRMAN. Yes.

Mr. KLEIN. There was Mr. Lacoco and Mr. Wedow.

The CHAIRMAN. They each had 20 percent too?

Mr. KLEIN. Yes, sir.

The CHAIRMAN. All right.

Mr. WHITE. Mr. Wedow owned the building, did he not?

Mr. KLEIN. Yes.

Mr. WHITE. Did Jim Balestrere have a percentage in that operation?

Mr. KLEIN. At the time I was there?

Mr. WHITE. At any time, to your knowledge.

Mr. KLEIN. As long as I was there I couldn't say that Jim Balestrere did have anything to do with the operation.

Mr. WHITE. The whole time when it was open you did have an interest in it, didn't you?

Mr. KLEIN. No. The place has been open—it started in the early thirties, and even went into the early forties, but I wasn't in the place and didn't become an active partner until the spring of 1945.

Mr. WHITE. How many years have you known Charlie Binaggio?

Mr. KLEIN. I would say roughly around 20 years.

Mr. WHITE. Did you participate with him in his political activities?

Mr. KLEIN. I worked for him; yes, sir.

Mr. WHITE. In what capacity?

Mr. KLEIN. At one time I served as a precinct captain, and the last time I served as—I had charge of advertising, securing cars, getting gasoline, having ballots printed, and things of that nature.

Mr. WHITE. Did your participation in any of these gambling enterprises result from your political connections with Binaggio?

Mr. KLEIN. No, sir.

Mr. WHITE. Would you say that in any sense you were rewarded in any way by being given a percentage in one of these operations because of your political activity?

Mr. KLEIN. Absolutely not. I would say that is not so.

Mr. WHITE. You had a piece of several operations at various times during the last 10 years which required either little or no investment and little or no actual work or supervision in the operation of the business. Is that true?

Mr. KLEIN. No. It required a lot of work and supervision.

Mr. WHITE. Did you do any work out at the Last Chance?

Mr. KLEIN. I did at first; yes, sir.

Mr. WHITE. When you say "at first," how long did you continue to work there while you were drawing an income from that operation?

Mr. KLEIN. I either worked—there were two shifts. The first shift came on to work at noon and worked until 8. The next shift came to work at 8 and worked until 3 or 4 in the morning. I either worked the day shift or the night shift and worked every day.

Mr. WHITE. What did you do?

Mr. KLEIN. Watched the table, supervised, see about giving credit to customers and watched to see that everything was running smoothly.

Mr. WHITE. What work did you do in the Universal News Co.?

Mr. KLEIN. None. That is the service you are talking about, sir?

Mr. WHITE. Yes.

Mr. KLEIN. Yes, sir; none.

Mr. WHITE. Incidentally, what was your income from Universal News Service during the time you were a partner?

The CHAIRMAN. Per month, just about how much did you get?

Mr. KLEIN. It wasn't that way, by the month. At the end of the year what was left in the bank was the amount of money that was split four ways. Each month or week as you received the money, Mr. Partnoy would turn it over to Mr. Spitz minus his salary and his percentage. Mr. Spitz would then deposit the money in the bank unless there were any new bills or any bills of any kind that had to be paid, and then at the end of the year the amount of money that was there was drawn out and split.

Mr. WHITE. What was your percentage of the partnership?

Mr. KLEIN. Twenty-five percent, of the four.

Mr. WHITE. What would you say the net profit of this operation was during the year 1947, for example?

Mr. KLEIN. Roughly again I would say around \$10,000 or \$12,000, maybe \$15,000.

Mr. WHITE. If I told you it was closer to \$45,000, would you assume that that was correct?

Mr. KLEIN. You mean \$45,000 would be the net profit minus—would that be a net profit?

Mr. WHITE. A net profit for the operation.

Mr. KLEIN. Sir, I think that your figures are wrong.

Mr. WHITE. You were also a member of an organization known as the Mo-Kan Publishing Co., were you not?

Mr. KLEIN. I think it was the Mo-Kan and then changed to Universal. I think it started as the Mo-Kan; yes, sir.

Mr. WHITE. When you say "Mo-Kan" or "Universal" we are referring actually to the same partnership?

Mr. KLEIN. Yes, sir.

Mr. WHITE. If the tax returns of the Mo-Kan Publishing Co. showed a net income of \$45,000 for the year 1947, you would be very much surprised?

Mr. KLEIN. Well, if it showed it, then I imagine that would be their profit, but I don't think it will show that profit, that is, clear profit.

Mr. WHITE. Assuming that it did, you would get 25 percent of whatever the net profit was?

Mr. KLEIN. Yes, sir; I would get 25 percent.

Mr. WHITE. If it had been \$40,000, you would have gotten a quarter of that, or \$10,000?

Mr. KLEIN. Yes, sir.

Mr. WHITE. For 1 year's operation, that is. You put up presumably 25 percent of the \$7,500 needed as the original investment in that company?

Mr. KLEIN. Yes, sir.

Mr. WHITE. But you did not do any work in connection with the operation of the company?

Mr. KLEIN. No, sir.

Mr. WHITE. I suggest that you were being rewarded for some consideration, perhaps other services that you rendered to one of the other partners.

Mr. KLEIN. No. Like I explained to you, when Mr. Spitz had a chance to get this service, he either took it, tied it up or did something with it, or promised the man he was going to take it. Then he talked to Mr. Partnoy. Then when Mr. Partnoy changed over to Mr. Spitz, when he had the two wires, he had talked to me and wondered if I had known any of these fellows that were buying the service, and we were going to canvass them and try to sell them the same as selling someone, oh, as an example, trying to compare a loaf of Wholesome bread and Bond bread, that Bond bread is better than Wholesome bread.

Mr. WHITE. You told me a moment ago that there was no question of salesmanship involved, that Mr. Partnoy just put the distributing wire over from one service to another.

Mr. KLEIN. That is true. At that time we didn't know he was going to do that.

Mr. HALLEY. Was there a little period during which the two services were operating in competition, was there any period at all during which Universal—

Mr. KLEIN. I will put it this way, at a little period of time they had two services in Kansas City. The Continental was in operation, Trans-America was not in operation. But after a short while the Trans-America was in operation and the Continental was not in operation.

Mr. HALLEY. During the early period the service came in on Continental, and Partnoy was receiving it and selling it to a group of customers, is that right?

Mr. KLEIN. Yes, sir.

Mr. HALLEY. At that time he was there by himself and none of your group was in with him, is that right?

Mr. KLEIN. That is true.

Mr. HALLEY. Then came a period when Universal was born, is that right?

Mr. KLEIN. The Mo-Kan I think at first.

Mr. HALLEY. Mo-Kan. Who were the partners in Mo-Kan?

Mr. KLEIN. The same partners that were in Universal.

Mr. HALLEY. Gargotta?

Mr. KLEIN. Lacoco, Spitz, and myself.

Mr. HALLEY. You four organized Mo-Kan. In the very early days where were you getting your information?

Mr. KLEIN. As I said, the wire was in Kansas City—

Mr. HALLEY. But that was the Continental wire.

Mr. KLEIN. There was also a Trans-America wire.

Mr. HALLEY. Were you getting the Trans-America wire into Mo-Kan? Did Mo-Kan have an office?

Mr. KLEIN. Yes. Yes; the Mo-Kan was receiving a service, but it was lying dormant.

Mr. HALLEY. Then there was some talk about going out and selling the service to various bookmakers, is that right?

Mr. KLEIN. That is true.

Mr. HALLEY. You were going to be one of the salesmen, were you not?

Mr. KLEIN. That is right.

Mr. HALLEY. Who were the other salesmen going to be? Was Mr. Gargotta a salesman?

Mr. KLEIN. No, sir. Spitz and I were going to be the salesmen.

Mr. HALLEY. Spitz and you were the salesmen. What was your selling method?

Mr. KLEIN. None, outside of going to them, knowing someone personally and speaking to him and asking them as a friend to buy from you instead of buying from someone that they don't know.

Mr. HALLEY. Isn't it a fact that you and Spitz had known associates who were feared and that people wouldn't want to refuse to buy your service? Isn't that the fact?

Mr. KLEIN. No. Mr. Spitz when he talked to me I don't think that he had spoken to Mr. Gargotta or Mr. Lacoco. When he talked to me as far as I knew I had 25 percent of the service and who the partners were I did not know.

Mr. HALLEY. At that time you were to be the selling end of it, you and Spitz?

Mr. KLEIN. That is right.

Mr. HALLEY. At that time were you and Spitz in the Missouri Electric business?

Mr. KLEIN. Were we in the Missouri Electric?

Mr. HALLEY. Yes.

Mr. KLEIN. No. Spitz was never in it.

Mr. HALLEY. Were you?

Mr. KLEIN. Yes, sir.

Mr. HALLEY. At that time were you in the Ace Sales?

Mr. KLEIN. Now, we were either in there just before that or just a little after after. It was right around that period.

Mr. HALLEY. At that time were you in the Green Hills?

Mr. KLEIN. During the time of the service?

Mr. HALLEY. Yes, at the time you were just starting.

Mr. KLEIN. No.

Mr. HALLEY. In 1947.

Mr. KLEIN. The Green Hills was either just closing or just ready to close or just did close.

Mr. HALLEY. You were known then as a friend of Binaggio's around St. Louis, were you not?

Mr. KLEIN. In St. Louis?

Mr. HALLEY. Around St. Louis. I mean Kansas City, of course.

Mr. KLEIN. Yes.

Mr. HALLEY. You were known as a friend of Binaggio's around Kansas City? Is that right?

Mr. KLEIN. I was a partner of his; yes, sir.

Mr. HALLEY. You were a partner of his and his close associate in business matters?

Mr. KLEIN. I don't know whether close associate—

Mr. HALLEY. Close enough to be a partner.

Mr. KLEIN. Yes, sir.

Mr. WHITE. You were also a political worker for him at that time?

Mr. KLEIN. I worked for him in the election; yes, sir.

Mr. HALLEY. Your other associates included people like Lacoco, is that right?

Mr. KLEIN. Yes, sir.

Mr. HALLEY. Gargotta?

Mr. KLEIN. Yes, sir.

Mr. HALLEY. Friedlander?

Mr. KLEIN. Yes, sir.

Mr. HALLEY. And Balestrere?

Mr. KLEIN. No, sir.

Mr. HALLEY. Wasn't he in Green Hills?

Mr. KLEIN. In all the time I was there he has never been a partner.

Mr. HALLEY. Did you know Balestrere?

Mr. KLEIN. Yes, sir; I have seen Mr. Balestrere.

Mr. HALLEY. Did you speak to him?

Mr. KLEIN. Outside of nodding or maybe an occasional "hello" I don't think I have ever said four words to the man in my life.

Mr. HALLEY. Did you ever go out and try to sell this wire service for Mo-Kan to any bookie?

Mr. KLEIN. No, sir.

Mr. HALLEY. Never tried to sell it to a single bookie?

Mr. KLEIN. No, sir.

Mr. HALLEY. Before that was necessary, you made your deal with Partnoy; is that right?

Mr. KLEIN. Mr. Spitz did; yes, sir.

Mr. HALLEY. Were you present when Spitz talked to Partnoy?

Mr. KLEIN. No, sir.

Mr. HALLEY. Did Spitz ever tell you what he told Partnoy?

Mr. KLEIN. No; outside of he told me he made a deal with Partnoy and Partnoy was going over in to the Trans-America service for that \$7,500.

Mr. HALLEY. You and Spitz then between you had how much of Mo-Kan, what percentage?

Mr. KLEIN. Fifty percent.

Mr. HALLEY. Fifty percent, and your end was the selling end; is that right?

Mr. KLEIN. That is right.

Mr. HALLEY. When you discussed it with Gargotta and Lacoco were you quite confident that you could sell the service to the various bookies?

Mr. KLEIN. I never discussed it with Gargotta and Lacoco.

Mr. HALLEY. Who did?

Mr. KLEIN. I think Mr. Spitz did.

Mr. HALLEY. He was the spokesman all around?

Mr. KLEIN. Yes, sir.

Mr. HALLEY. He just told you where he stood.

Mr. KLEIN. No; he came to me when the service was first offered him, or if it was offered him—I don't really know—came to me and asked me if I was interested in going into this service business. He explained to me just about what we would have to do, and truthfully he explained the whole thing to me and asked if I would be interested in taking 25 percent of it.

Mr. HALLEY. What would you have to do, go out and sell it to the bookies? Is that right?

Mr. KLEIN. That is right, sir.

Mr. HALLEY. You were rather well known around Kansas City as a high-school athlete, basketball player?

Mr. KLEIN. No. I was born and raised here. I have been here all my life. I know a lot of people.

Mr. HALLEY. Were you ever a boxer?

Mr. KLEIN. No, sir. I was active in Jewish sports and belonged to the Jewish Center and know a lot of Jewish people.

Mr. HALLEY. Do you know a lot of politicians?

Mr. KLEIN. I don't know how to answer that. I knew some people who were interested in politics.

The CHAIRMAN. Did you and Mr. Binaggio try to get somebody substituted for Chief Johnson here?

Mr. KLEIN. Did I?

The CHAIRMAN. Yes.

Mr. KLEIN. I have never even spoken to any of the commissioners, policemen, any official of any kind, or was interested in who was or wasn't chief.

The CHAIRMAN. Maybe you haven't spoken to them. But did you and Mr. Binaggio have some plan to get better protection from the police?

Mr. KLEIN. I never; no, sir.

The CHAIRMAN. Well, he did talk with you about it?

Mr. KLEIN. No, sir. Mr. Binaggio discussed very little with me in regard to almost anything. There is very little he ever told me. In fact he told me nothing.

The CHAIRMAN. This fellow Hutter that you were associated with—wasn't he sentenced for something down in Alabama, a hold-up?

Mr. KLEIN. I didn't know Hutter until I met him one time here in Kansas City. What his background was I really didn't know.

The CHAIRMAN. You heard that?

Mr. KLEIN. I heard that later; yes, sir.

The CHAIRMAN. How did you handle all these financial transactions? Did you have a checking account?

Mr. KLEIN. How do you mean, sir?

The CHAIRMAN. Would you be paid by the wire service by check or would you deposit a check in the bank or was it cash?

Mr. KLEIN. There was a check given each week or month by the wire service, and that was deposited in a bank.

The CHAIRMAN. To you?

Mr. KLEIN. No, sir. At one time it was the Mo-Kan, and later it was Universal.

The CHAIRMAN. I know, but I am talking about when the wire service paid you.

Mr. KLEIN. Sometimes by check. Sometimes we would draw the cash out.

The CHAIRMAN. Did you have a bank account to put your money in?

Mr. KLEIN. You mean my personal money?

The CHAIRMAN. Yes.

Mr. KLEIN. Yes, sir; I had a bank account.

The CHAIRMAN. All along? Where was your bank account?

Mr. KLEIN. I had a bank account at the Merchant's Bank and also the Produce and Exchange Bank.

The CHAIRMAN. What was this operation you had at Omaha, Nebr.?

Mr. KLEIN. How do you mean that?

The CHAIRMAN. Didn't you have a gambling place there?

Mr. KLEIN. It was gambling and a night club.

The CHAIRMAN. When was that?

Mr. KLEIN. I think I said the fall of 1947, 1948, and part of 1949.

The CHAIRMAN. Do you want to ask him about that, Mr. White, that Omaha operation?

Mr. WHITE. I think we did that.

The CHAIRMAN. What was the name of that place?

Mr. KLEIN. The Stork Club.

The CHAIRMAN. I thought that was at Council Bluffs, Iowa.

Mr. KLEIN. It was. He said Omaha, and I think I corrected you, didn't I, sir? I said Council Bluffs, Iowa. That is the reason I didn't correct you. That is what I thought you meant, Council Bluffs, Iowa.

The CHAIRMAN. Did you have any in Denver, Colo., or in Colorado?

Mr. KLEIN. No, sir; I have never been to Denver in my life.

The CHAIRMAN. You have told us about all the gambling operations that you have been interested in, have you?

Mr. KLEIN. Yes, sir; I think I have.

The CHAIRMAN. How about 1711 East Ninth Street here in the city?

Mr. KLEIN. Oh, yes, sir.

The CHAIRMAN. Did you have a dice game there?

Mr. KLEIN. Yes, sir.

The CHAIRMAN. Lacoco, Nigro, Klein, Eddie Spitz?

Mr. KLEIN. Nigro; yes, sir.

The CHAIRMAN. How long did you run that?

Mr. KLEIN. About 5 months.

The CHAIRMAN. Was that in the city of Kansas City?

Mr. KLEIN. Yes, sir.

The CHAIRMAN. Did you have a wire service there?

Mr. KLEIN. Yes, sir.

The CHAIRMAN. Was that a large operation?

Mr. KLEIN. No, sir.

The CHAIRMAN. Did you run openly where anybody could come in if they wanted to gamble?

Mr. KLEIN. No, sir.

The CHAIRMAN. How did you get protection from the police for that operation?

Mr. KLEIN. We didn't get any.

The CHAIRMAN. They knew you were operating, didn't they?

Mr. KLEIN. They came in there several times. We had the doors bolted, we had iron doors and they couldn't get in.

The CHAIRMAN. They knew you were there but couldn't get in?

Mr. KLEIN. They came in several times and arrested several of the participants.

The CHAIRMAN. You would just go on with your operations after they had arrested you until the next time?

Mr. KLEIN. Yes, sir.

The CHAIRMAN. Did you ever get fined for operating that place?

Mr. KLEIN. I wasn't in the place.

The CHAIRMAN. How much was your investment in that place? How much of the bank roll did you have there?

Mr. KLEIN. I think that I had either 20 or 25 percent of that place.

The CHAIRMAN. You got the wire service from Mo-Kan?

Mr. KLEIN. Yes, sir; Harmony.

The CHAIRMAN. That was fairly recently, wasn't it?

Mr. KLEIN. That was the last part of last year and the early part of this year.

The CHAIRMAN. The early part of 1950?

Mr. KLEIN. Yes, sir.

The CHAIRMAN. This Last Chance—is that also called the State Line gambling place?

Mr. KLEIN. No, sir. I think I told this gentleman that the State Line is a tavern located across the street from the Last Chance tavern, and I think at one time that may have been it.

The CHAIRMAN. Did you have an interest in the State Line gambling tavern?

Mr. KLEIN. No, sir.

The CHAIRMAN. How about the hotel at Ninth and Main. Did you operate a dice game there?

Mr. KLEIN. Yes, sir. I think that was in the early part of 1948.

The CHAIRMAN. Who were your partners in that?

Mr. KLEIN. I think just Mr. Spitz and I were there.

The CHAIRMAN. Was Tony Bondon there?

Mr. KLEIN. Tony Bondon worked there; yes, sir.

The CHAIRMAN. Who was he?

Mr. KLEIN. You mean in reference to some individual or just what?

The CHAIRMAN. Is he related to Charles Binaggio?

Mr. KLEIN. Yes, sir. He was his father-in-law.

The CHAIRMAN. And did Binaggio have an interest in it?

Mr. KLEIN. No, sir.

The CHAIRMAN. Are you sure?

Mr. KLEIN. Yes, sir.

The CHAIRMAN. Did Spitz have an interest in it?

Mr. KLEIN. Yes, sir.

The CHAIRMAN. How about Homer Cooper; did he have an interest?

Mr. KLEIN. Homer Cooper I would say had a sort of working interest. He would draw a salary and if it made any money he would receive a bonus or commission.

The CHAIRMAN. Did you have a wire service there?

Mr. KLEIN. Yes, sir.

The CHAIRMAN. How many of those places did you operate? We have reminded you of two. How many more around town did you have?

Mr. KLEIN. Truthfully, it is awfully hard for me to think. I have been away from this for a little while.

(Witness and his attorney conferring.)

The CHAIRMAN. What did you start to say?

Mr. KLEIN. Will you please read—

The CHAIRMAN. Do you think of any more?

Mr. KLEIN. No, sir; I don't think of any more.

Mr. HALLEY. There is at least one more. Didn't you have a place in California?

Mr. KLEIN. Gambling place?

Mr. HALLEY. A club.

Mr. KLEIN. No, sir.

Mr. HALLEY. The La Brea Club?

Mr. KLEIN. No, sir.

Mr. HALLEY. Did you ever hear of the La Brea Club?

Mr. KLEIN. I have heard of it, yes.

Mr. HALLEY. Have you ever heard of Homer Cooper?

Mr. KLEIN. Yes, sir. That was not a gambling place.

Mr. HALLEY. What kind of place was it?

Mr. KLEIN. That was a restaurant.

Mr. HALLEY. Did you have an interest in it?

Mr. KLEIN. No, sir.

Mr. HALLEY. Did Homer Cooper have an interest in it?

Mr. KLEIN. Yes, sir.

Mr. HALLEY. What was your connection with it?

Mr. KLEIN. None. My brother was interested with Homer Cooper.

Mr. HALLEY. Your brother?

Mr. KLEIN. Yes, sir.

Mr. HALLEY. He purchased that interest from Mickey Cohen?

Mr. KLEIN. Yes, sir.

Mr. HALLEY. Do you know the circumstances?

Mr. KLEIN. No, sir. Mickey Cohen, I understood, owned the place and if I am not mistaken I think it was operated or intended to operate as a gambling place, but then it was a restaurant fully equipped, with booths and tables, steam tables and all that. They had to close, I think. Mickey Cohen shot someone or someone shot him or something. Then my brother bought the place from him intending to open a barbecue place, and that is what they did.

Mr. HALLEY. What is your brother's name?

Mr. KLEIN. Gus, Gus Klein.

Mr. HALLEY. Did you lend him the money?

Mr. KLEIN. No, sir; some money I loaned him, yes, sir.

Mr. HALLEY. To purchase the La Brea Club?

Mr. KLEIN. No: to purchase—no, sir.

Mr. HALLEY. What did you lend him the money for?

Mr. KLEIN. After he was in there, for some equipment, for whisky equipment, buying merchandise and things of that nature.

Mr. HALLEY. Who introduced your brother to Mickey Cohen?

Mr. KLEIN. I don't think anyone introduced him to Mickey Cohen.

Mr. HALLEY. Did he know Mickey Cohen?

Mr. KLEIN. No. I think it happened to be that they were looking for a place and this place had a "For sale" sign on it, and I think he came in contact with another fellow named Tucker, or something. I think Tucker in turn introduced him to Mickey Cohen or had him meet him to buy it from Mickey Cohen. I think that is the way it was. He at no time was ever connected. He was in the fruit and vegetable business.

Mr. HALLEY. Your brother?

Mr. KLEIN. Yes, sir.

Mr. HALLEY. Cooper was in the Last Chance: wasn't he, with you?

Mr. KLEIN. Yes, sir.

Mr. HALLEY. Had he also been at Green Hills?

Mr. KLEIN. At first? At one time Cooper did work there.

Mr. HALLEY. Was he a partner of your brother's at La Brea Club?

Mr. KLEIN. He was. They went out of business.

Mr. HALLEY. Did they sell out or just discontinue?

Mr. KLEIN. They sold out.

Mr. HALLEY. To whom did they sell out?

Mr. KLEIN. I don't know.

Mr. HALLEY. Do you know?

Mr. KLEIN. No, sir; I do not. I think it was known as Tony's Barbecue instead of the La Brea. It may have been the La Brea Club at one time, but it was Tony's Barbecue.

The CHAIRMAN. That is all I have.

Let us ask leading questions and get to the point we want to get to. We have to speed up here, gentlemen.

Mr. WHITE. Have you accompanied Charlie Binaggio on trips to St. Louis and while there met politicians in company with Binaggio?

Mr. KLEIN. Before you go any further, you won't have to finish the question. I have never accompanied Charlie Binaggio anywhere outside of Kansas City. We have gone to places in Kansas City, but I have never accompanied him anywhere.

Mr. WHITE. Didn't you tell two police officers who interviewed you in the penitentiary that you had been to St. Louis with Charlie Binaggio on several occasions, and once you went to the ball game on one occasion; you went with Binaggio and contacted a man named Johnny Joynt?

Mr. KLEIN. No, sir.

Mr. WHITE. And a man by the name of Sestric?

Mr. KLEIN. I was in St. Louis to see an all-star ball game; my wife and I went up there. Mr. Binaggio was in St. Louis at the time. I think that I was right, and I think that you have the correct information, that a Mr. Sestric was there. Mr. Tony Joynt I have seen here on numerous occasions. I have spoken to him. I have even had lunch with him.

Mr. WHITE. Is he a lawyer?

Mr. KLEIN. Yes, sir. There wasn't anything that was strictly personal. We just exchanged pleasantries and that is all the discussions I have had with him. With Mr. Sestric I may have just said "Hello" or "How are you" or something that you would say to anyone else, and that is as far as I have ever gone with Mr. Sestric. I have been in St. Louis when Mr. Binaggio was there, but I have never accompanied Mr. Binaggio anywhere.

Mr. WHITE. Did you go there for the purpose of meeting him there?

Mr. KLEIN. No, sir. My wife and I went there to see an all-star ball game.

Mr. HALLEY. Do you know Tony Accardo?

Mr. KLEIN. Tony Accardo? The name means nothing to me; no, sir.

Mr. HALLEY. You have heard the name before; haven't you?

Mr. KLEIN. I don't think I have even heard the same before.

Mr. WHITE. Tony Accardo is also known as Joe Batters.

Mr. KLEIN. Joe who?

Mr. WHITE. Batters, in Chicago.

Mr. KLEIN. There is a Joe Bananas I read about in the paper. Is that the same one? They even had his picture in a magazine, I think.

Mr. WHITE. You don't know him?

Mr. KLEIN. No, sir; I have never seen him in my life.

The CHAIRMAN. What Chicago gamblers would come down to Kansas City that you would see and talk with?

Mr. KLEIN. I don't think I have ever—that is, I can say, unless someone pointed someone out, I don't think I have ever seen a Chicago gambler down here in Kansas City.

The CHAIRMAN. Either one of the Fischetti brothers?

Mr. KLEIN. No, sir; I don't think I have ever seen them.

The CHAIRMAN. Any of the Capone boys?

Mr. KLEIN. No, sir; I wouldn't know a Capone boy if he was sitting here in this room right now.

The CHAIRMAN. Did you know Frank Capolla?

Mr. KLEIN. Is he a little fellow—

The CHAIRMAN. Well, he got sent out of the country on a narcotics charge.

Mr. KLEIN. I saw him at the club, I think, two or three different times.

The CHAIRMAN. Did you have any business relationships with him?

Mr. KLEIN. None whatsoever.

The CHAIRMAN. That is all, unless there are some more questions.

Mr. HALLEY. I have nothing else.

The CHAIRMAN. I believe that is all, Mr. Klein.

Mr. KLEIN. All right, sir; thank you.

The CHAIRMAN. I think for the record the two letters the chamber of commerce wrote the Governor should be made a part of the record. Will you supply them to the reporter?

Mr. WILSON. Yes; I will.

The CHAIRMAN. They can be marked as exhibits to Mr. Chambers' testimony.

(The documents referred to may be found on pp. 58 and 59 of part 4.)

The CHAIRMAN. Call Mr. Hendren.

Do you solemnly swear that the testimony you will give this committee will be the whole truth and nothing but the truth, so help you God?

Mr. HENDREN. I do.

#### TESTIMONY OF JOHN H. HENDREN, ATTORNEY, JEFFERSON CITY, MO.

Mr. HALLEY. What is your full name?

Mr. HENDREN. John H. Hendren.

Mr. HALLEY. And your occupation?

Mr. HENDREN. I am an attorney.

Mr. HALLEY. Where is your office?

Mr. HENDREN. 105 West High Street, Jefferson City, Mo.

Mr. HALLEY. Mr. Hendren, did you have anything to do with the 1948 gubernatorial campaign in this State?

Mr. HENDREN. Yes, sir.

Mr. HALLEY. What was your connection with it?

Mr. HENDREN. I am now State chairman of the Democratic Party, and was during the 1948 campaign. In the primary election I was the campaign manager for Gov. Forrest Smith.

Mr. HALLEY. Did you have anything to do with the collection of campaign funds?

Mr. HENDREN. Nothing officially. I was the campaign manager. There was a treasurer for the committee, and a treasurer for Forrest Smith's campaign.

Mr. HALLEY. Can you tell the committee where it can get full information as to the contributors to the campaign?

Mr. HENDREN. Yes, sir.

Mr. HALLEY. Where can we go for that information?

Mr. HENDREN. Are you talking about the general-election campaign?

Mr. HALLEY. First, the Smith campaign for Governor, including the primary; and second, the general-election campaign.

Mr. HENDREN. The general-election campaign contributions are kept by the treasurer of the State committee, who has those records here available, I understand, today.

Mr. HALLEY. Who is that?

Mr. HENDREN. Mr. Edlund, the treasurer, and Mr. B. E. Ragland, the assistant treasurer.

Mr. HALLEY. With reference to the primary, where are the records?

Mr. HENDREN. As far as I know, Governor Smith has the records. He filed the campaign report. I don't have that. I didn't keep it.

Mr. HALLEY. Did Mr. Edlund and Mr. Ragland operate under your supervision?

Mr. HENDREN. No; I wouldn't say they operated under my supervision. The State committee is made up of the chairman, the treasurer, the secretary of the committee.

Mr. HALLEY. Under that joint direction, did Mr. Edlund and Mr. Ragland keep books of account showing all contributions and all expenditures?

Mr. HENDREN. I assume they did. That was their responsibility.

Mr. HALLEY. Did they have instructions to that effect?

Mr. HENDREN. Well, I didn't instruct them directly to do it, but I assume they did.

Mr. HALLEY. Was that their legal duty?

Mr. HENDREN. Yes; under the State law, the treasurer of the campaign committee is to keep a record of all the contributions and expenditures.

Mr. HALLEY. In general, can you tell the committee whether any contributions were made by any of the gamblers in East St. Louis?

Mr. HENDREN. I have no knowledge of that.

Mr. HALLEY. Have you heard of any contributions being made through Charles Binaggio?

Mr. HENDREN. No, sir.

Mr. HALLEY. Did you ever discuss any campaign contributions with Charles Binaggio?

Mr. HENDREN. No, sir.

Mr. HALLEY. Did you ever hear that a campaign contribution was made by Gregory Moore?

Mr. HENDREN. No, sir. That is to the State committee?

Mr. HALLEY. To any campaign.

Mr. HENDREN. To any committee? No, sir; I know nothing about that.

Mr. HALLEY. Or by a Frank Wortman?

Mr. HENDREN. No, sir.

Mr. HALLEY. There have been a great many newspaper stories and rumors that must have come to your attention since the campaign——

Mr. HENDREN. I have seen that in the paper.

Mr. HALLEY. Saying that Binaggio had collected a large amount of money for the Smith campaign for Governor. Have you read about that?

Mr. HENDREN. I have read those articles in the paper; yes, sir.

Mr. HALLEY. You were chairman of the State committee at that time?

Mr. HENDREN. I was chairman of the State committee during the fall campaign; yes, sir.

Mr. HALLEY. Have you ever seen fit to investigate the truth of these rumors?

Mr. HENDREN. I don't know what you mean, "investigate" the rumors.

Mr. HALLEY. Did you cause any investigation to be made as to whether the Democratic Party had accepted it—I think it is reputed to be \$100—from Binaggio in connection with the 1948 campaign?

Mr. HENDREN. I have investigated as far as the State committee is concerned, and there was no contribution like that made to the State committee as far as I know.

Mr. HALLEY. You have been unable to find any trace of such a contribution?

Mr. HENDREN. That is correct.

Mr. HALLEY. Have you spoken to Governor Smith about it?

Mr. HENDREN. Have I spoken to him about that particular matter?

Mr. HALLEY. Yes.

Mr. HENDREN. I haven't particularly spoken to him about it. He and I both talked about these articles in the paper.

Mr. HALLEY. What conversation was that?

Mr. HENDREN. Just generally that the articles in the paper said that those contributions were made, but I had no knowledge of them.

Mr. HALLEY. Were such contributions made?

Mr. HENDREN. Not that I ever knew anything about.

Mr. HALLEY. Were any contributions made by Binaggio out of money he collected from people in Kansas City?

Mr. HENDREN. Not to my knowledge.

Mr. HALLEY. None whatsoever.

Mr. HENDREN. I don't know anything about it.

Mr. HALLEY. Did you know whether Binaggio did contribute to the campaign?

Mr. HENDREN. If he did, he didn't do it to my knowledge. I never saw any contributions.

Mr. HALLEY. You don't know of even one dollar in contributions made by Binaggio?

Mr. HENDREN. No, sir.

Mr. HALLEY. Or made through Binaggio?

Mr. HENDREN. No, sir.

Mr. HALLEY. Do you recall ever having spoken to a Judge Eversole about a contribution to be made by William Molasky?

Mr. HENDREN. Yes, sir.

Mr. HALLEY. Will you tell the committee about that?

Mr. HENDREN. As I remember that, in the fall of 1948, sometime, I can't place the dates exactly, he was in headquarters and said there were some Jewish people in St. Louis who wanted to make a contribution to the Governor's campaign.

Mr. HALLEY. Who said that, Eversole?

Mr. HENDREN. Judge Eversole; yes, sir. He said they wanted to make a recommendation to the Governor for a Jewish member on the police board.

Mr. HALLEY. The St. Louis Police Board?

Mr. HENDREN. Yes. As I remember, just thinking back, I told the judge that I knew the Governor would not let anybody name anyone on any board or make any commitments about any appointments to a board, whether they contributed or not.

I believe later on he asked me if they could submit some names, and whether the Governor would consider them or not. As I remember, the conversation was that I knew they could submit names, but the Governor might consider them and he might not. He wouldn't make any commitments on any appointments to the board.

Mr. HALLEY. Did you know who was making the contribution?

Mr. HENDREN. Not at that time.

Mr. HALLEY. Did you later find out?

Mr. HENDREN. Yes.

Mr. HALLEY. It was Molasky, is that right?

Mr. HENDREN. It was a man who, as I found out since then, is Molasky.

Mr. HALLEY. And the amount of the contribution was \$2,500?

Mr. HENDREN. \$2,000.

Mr. HALLEY. \$2,000?

Mr. HENDREN. Yes, sir.

Mr. HALLEY. Were you ever told who Molasky wanted on the police board?

Mr. HENDREN. No, sir, I never was. Judge Eversole told me at that time, as I remember it, that he would like to recommend Morris Shenker's appointment on the board.

Mr. HALLEY. You turned that down?

Mr. HENDREN. I told him I didn't think the Governor would consider him because he had such a large criminal practice. I didn't have anything to do with the appointments.

Mr. HALLEY. When the contribution was made, you did receive a list of, I think, three names, is that right?

Mr. HENDREN. I don't believe I did. I have no recollection of any names that were submitted.

Mr. HALLEY. Wasn't there some kind of list submitted by Molasky of three candidates for the job?

Mr. HENDREN. Not to me, that I have any recollection of. I think Morris Shenker talked to me at one time about submitting a list, but whether he did or not, I don't remember.

Mr. HALLEY. You do recall, however, having been told originally that Molasky wanted to recommend Shenker for the job?

Mr. HENDREN. That was my understanding.

Mr. HALLEY. That was the time you said you wouldn't allow the Governor to be dictated to at all?

Mr. HENDREN. I didn't say I wouldn't allow him to be dictated to. I knew he wouldn't allow himself to be dictated to.

Mr. HALLEY. Sometime after that, the suggestion was made that perhaps they would like to suggest a list of names?

Mr. HENDREN. That is right.

Mr. HALLEY. I have no other questions.

The CHAIRMAN. Mr. Hendren, how old are you?

Mr. HENDREN. Forty-three, Senator.

The CHAIRMAN. When did you get interested in politics?

Mr. HENDREN. Well, I think it was in the 1932 campaign in Democrat club work.

The CHAIRMAN. Have you ever held an office yourself?

Mr. HENDREN. No, sir.

The CHAIRMAN. This Molasky money that you got—I believe he and Mr. Shenker came up to your hotel room and gave you the \$2,000?

Mr. HENDREN. That is right.

The CHAIRMAN. I understand that does not show up on the contributions of the Democratic campaign or of the other one. I am not sure about this, but does it or not?

Mr. HENDREN. Not as a campaign of the State committee, Senator, because it wasn't a campaign contribution to the State committee.

The CHAIRMAN. What was it a campaign contribution to?

Mr. HENDREN. As I understood Mr. Shenker and Mr. Molasky, that was a contribution to the Governor's campaign.

The CHAIRMAN. What sort of records did the Governor keep?

Mr. HENDREN. As far as I know, he didn't keep any personal records. I turned that money over, as I have stated publicly to the press, to the assistant treasurer, at our headquarters, to keep.

The CHAIRMAN. That is Mr. Ragland?

Mr. HENDREN. Yes, sir.

The CHAIRMAN. Apparently he did not report it; is that the situation?

Mr. HENDREN. It wasn't reported in the reports of the State committee.

The CHAIRMAN. Were there any other moneys turned over that way that weren't reported?

Mr. HENDREN. I think there were a little more. I have investigated since then. There were some other cash contributions that were turned in that were sent out and spent in the campaign.

The CHAIRMAN. How much did they amount to, do you know?

Mr. HENDREN. I imagine \$5,000 or \$6,000.

The CHAIRMAN. Is that your best estimate?

Mr. HENDREN. That is my best estimate. I didn't keep a record.

The CHAIRMAN. Did Mr. Ragland actually keep the records or Mr. Edlund?

Mr. HENDREN. Mr. Ragland.

The CHAIRMAN. What was the treasurer's name?

Mr. HENDREN. Edlund. He lives here in Kansas City, Senator.

The CHAIRMAN. Has not Senator Hogan done a lot of bragging about having collected a lot of money from a lot of people, collected money from gamblers and what not, and turned it over to you or the State campaign treasurer?

Mr. HENDREN. I have heard that as hearsay, sir.

The CHAIRMAN. Nobody has made any statement to you?

Mr. HENDREN. He never turned over a nickel to me in his life.

The CHAIRMAN. As Mr. Halley indicated, I think it is well to get these things out and talk about them. There have been all sorts of rumors around, including one that Binaggio collected a very sizable amount of money, \$150,000, and took it to the Governor with the idea of getting the State opened up, and the Governor refused to accept it or have a part in it, and by the time he got it back to the people he

collected it from, it dwindled down to \$100,000. That may have been one reason for his liquidation. Do you know anything about that?

Mr. HENDREN. I know nothing about that at all, sir.

The CHAIRMAN. You have read about it in the papers?

Mr. HENDREN. I have read the news articles. That is all I know.

The CHAIRMAN. Mr. Hendren, during the campaign, Binaggio did take an active part in the Governor's race?

Mr. HENDREN. He took an active part here in Kansas City, as far as I know, Senator. He wasn't around at headquarters.

The CHAIRMAN. Was he around headquarters?

Mr. HENDREN. I never saw him at headquarters in my life.

The CHAIRMAN. Who was the campaign manager for the Governor here in Kansas City?

Mr. HENDREN. Mr. Milligan.

The CHAIRMAN. That is the man later put on the police commission?

Mr. HENDREN. That is correct, sir.

The CHAIRMAN. Do you know whether Binaggio's support was solicited or not, whether or not any agreements were made with him for the purpose of getting him to support the Governor?

Mr. HENDREN. No, I know nothing about that.

The CHAIRMAN. Did you talk with him about it yourself?

Mr. HENDREN. No, sir.

The CHAIRMAN. Did you ever talk with him?

Mr. HENDREN. I have talked to him a few times; yes, sir.

The CHAIRMAN. Where?

Mr. HENDREN. I think I ran into him a couple of times here in Kansas City. We had our headquarters in the Phillips Hotel. That is about the only conversations I ever had with the man.

The CHAIRMAN. Was there any understanding or any agreement reached that in view of his support and what not, he was to have a substantial say-so about the handling of things on behalf of the Governor here in Kansas City?

Mr. HENDREN. Not that I ever knew of, Senator. I never heard any such conversation take place.

The CHAIRMAN. He was to have considerable direction about the operation of the police department?

Mr. HENDREN. I never knew anything about that. In other words, no conversations of that type ever took place around me.

The CHAIRMAN. Do you have any further questions?

Mr. HALLEY. Yes. Was the \$2,000 contributed by Molasky paid directly to you?

Mr. HENDREN. Yes, sir.

Mr. HALLEY. Who handed it to you?

Mr. HENDREN. I am not certain, sir, whether it was Molasky or Shenker. They were both there at the time.

Mr. HALLEY. They were both present?

Mr. HENDREN. Yes.

Mr. HALLEY. Where did this take place?

Mr. HENDREN. At the Mayfair Hotel in St. Louis.

Mr. HALLEY. In a room upstairs?

Mr. HENDREN. Yes, sir.

Mr. HALLEY. Whose room was it?

Mr. HENDREN. My room.

Mr. HALLEY. And at that time, was something said about Shenker's aspiration to become police commissioner?

Mr. HENDREN. I don't remember anything said about himself. I think it was said that they would like to submit some names for consideration as the Jewish member of the board.

Mr. HALLEY. Of the police board?

Mr. HENDREN. That is right.

Mr. HALLEY. That \$2,000 was cash, is that correct?

Mr. HENDREN. Yes, sir.

Mr. HALLEY. You took it back to Jefferson City?

Mr. HENDREN. That is correct.

Mr. HALLEY. And handed it to Mr. Edlund?

Mr. HENDREN. Mr. Ragland.

Mr. HALLEY. Mr. Ragland. To what campaign did you tell him to credit it?

Mr. HENDREN. I told him to hold the money until I found some place where it could be used.

Mr. HALLEY. Then it was held in suspense, and it could be turned either into the State committee's fund or into the Governor's campaign fund?

Mr. HENDREN. The money was actually sent down to Jasper County to be used in the Jasper County campaign, \$1,700 of the money.

Mr. HALLEY. At that point, would it be reported in Jasper County?

Mr. HENDREN. Yes, sir. You see, this came out when Mr. Molasky talked about it in Washington, and I explained the matter when I was asked about it. It is reported in the Jasper County committee's campaign contribution as a campaign contribution from the State committee, as I understand it from the press. I haven't seen the—

Mr. HALLEY. But the State committee never received it as income?

Mr. HENDREN. Yes, sir.

Mr. HALLEY. So there would be an error some place.

Mr. HENDREN. Yes.

Mr. HALLEY. At least, let's say a discrepancy exists on the present records, is that right?

Mr. HENDREN. As far as that campaign contribution was concerned, I never considered it part of the State committee campaign fund. These county chairmen were always in, wanting money for the campaign, and the county chairman came in from that county and told Mr. Ragland, and he gave him \$1,700 of that money, which they took back and spent on the campaign in Jasper County.

Mr. HALLEY. In addition to the duties as State Democratic chairman, you put a lot of work into the campaign, did you not?

Mr. HENDREN. What do you mean, Mr. Halley?

Mr. HALLEY. You managed the campaign for the Governor, did you not?

Mr. HENDREN. I managed that campaign, the primary; yes, sir.

Mr. HALLEY. Did you incur a number of personal expenses?

Mr. HENDREN. Oh, yes. I was out almost all the time in the summer of 1948 and the fall of 1948.

Mr. HALLEY. Where did you get the money to defray those expenses?

Mr. HENDREN. The money came up—Mr. Ragland gave me some of it out of the campaign fund.

Mr. HALLEY. He reported giving you only \$500.

Mr. HENDREN. That is right.

Mr. HALLEY. Where did you get the rest of it?

Mr. HENDREN. Out of this cash money that he had, on his records you will notice there is, I think, \$400 or \$500 that he gave me out of that money.

Mr. HALLEY. Where did you get whatever other moneys you spent?

Mr. HENDREN. That is about all I spent.

Mr. HALLEY. Would you say that your total cash expenditures during the primary campaign for Governor in 1948 were not in excess of \$1,000?

Mr. HENDREN. In the primary campaign?

Mr. HALLEY. Yes.

Mr. HENDREN. I don't think they were.

Mr. HALLEY. You don't think they were?

Mr. HENDREN. No.

Mr. HALLEY. Would you say that your total expenses during the general election campaign—

Mr. HENDREN. I don't think they were that much in the primary campaign. I think Mr. Ragland gave me \$300 in the primary campaign.

Mr. HALLEY. \$300?

Mr. HENDREN. Yes, sir.

Mr. HALLEY. And that is all you spent during all that time?

Mr. HENDREN. That was from about June or July, all the expense I had was when I was out on campaign trips. I was in headquarters an awful lot of the time.

Mr. HALLEY. During the general election campaign, what were your expenses?

Mr. HENDREN. I would say they ran in the neighborhood of \$1,000, maybe a little bit more, maybe a little bit less.

Mr. HALLEY. Would you say they could not possibly have been over \$1,500?

Mr. HENDREN. I don't believe they were. I didn't keep any accurate record of it, any accurate account of it.

Mr. HALLEY. You say that you don't think it could possibly be over, say, \$2,000, in any event?

Mr. HENDREN. Yes, sir. You see, our campaign started in the middle of September and lasted until about the election in November.

Mr. HALLEY. Were a lot of your own expenses paid by other people?

Mr. HENDREN. Not very many that I know of.

Mr. HALLEY. Did J. K. (Pat) Noonan pay some of the expenses of your campaign?

Mr. HENDREN. My campaign? My personal expenses?

Mr. HALLEY. Yes.

Mr. HENDREN. No, he never did.

Mr. HALLEY. Did he work for you?

Mr. HENDREN. No, he never worked for me.

Mr. HALLEY. Was he active in the campaign?

Mr. HENDREN. He was active in the primary campaign, but I don't know that he was particularly active in the general election.

Mr. HALLEY. Did he work for Smith in the primary?

Mr. HENDREN. He was for Governor Smith in the primary, yes, sir.

Mr. HALLEY. Who laid out the money that was dispensed for radio time and billboard advertising and the other general expenses? Was that paid out by the State committee?

Mr. HENDREN. Out of the State committee funds.

Mr. HALLEY. That will all show?

Mr. HENDREN. That will show in the treasurer's accounts; yes, sir. That was the part of the State committee bore. I don't know what they spent around the cities for radio time and billboards and things of that nature.

Mr. HALLEY. To recapitulate, you received from the State committee a total of \$800?

Mr. HENDREN. I just couldn't give you the exact figures, Mr. Halley.

Mr. HALLEY. Something under \$1,000?

Mr. HENDREN. It was around \$1,000.

Mr. HALLEY. And your total expenses did not exceed, you say, \$1,500, you believe?

Mr. HENDREN. Well, I don't believe they did.

Mr. HALLEY. Thank you.

The CHAIRMAN. Let me ask, what is Pat Noonan's relationship with the Governor and the State administration?

Mr. HENDREN. Senator, I don't know of any relationship that he has.

The CHAIRMAN. What does he do? Is he a lawyer?

Mr. HENDREN. No, he isn't a lawyer.

The CHAIRMAN. Is he some sort of trouble-shooter for the Governor?

Mr. HENDREN. Not that I ever knew of.

The CHAIRMAN. What does he do?

Mr. HENDREN. I don't know that, Senator.

The CHAIRMAN. How does he make a living?

Mr. HENDREN. I don't know. I wondered that, myself.

The CHAIRMAN. Where does he live?

Mr. HENDREN. He has an apartment in Jefferson City. I think his family lives here in Kansas City.

The CHAIRMAN. Is there any other information you want to give the committee that you think would be helpful to us?

Mr. HENDREN. Not a thing, Senator. Anything I can tell you that you want to ask me, I am here available.

The CHAIRMAN. We appreciate your appearance and your willingness to help us, Mr. Hendren.

Mr. HENDREN. Could I be—

The CHAIRMAN. How much time do you spend—are you paid any salary for your being chairman of the Democratic committee?

Mr. HENDREN. No, sir.

The CHAIRMAN. It is just an honorary position?

Mr. HENDREN. Yes; and a dubious honor, I expect.

The CHAIRMAN. You practice law in Jefferson City?

Mr. HENDREN. Yes, sir.

The CHAIRMAN. All right, unless there is something you want to add—

Mr. HENDREN. May I be excused, Senator?

The CHAIRMAN. You may be excused, and if we need you further we will let you know by telephone.

Mr. HENDREN. I may go back to Jefferson City.

The CHAIRMAN. Thank you.

(Discussion off the record.)

(Brief recess.)

The CHAIRMAN. Call Mr. Gizzo.

Mr. Gizzo, do you solemnly swear that the testimony you will give this committee will be the whole truth and nothing but the truth, so help you God?

Mr. Gizzo. I do.

#### TESTIMONY OF ANTHONY R. GIZZO, KANSAS CITY, MO.

Mr. HALLEY. What is your full name?

Mr. Gizzo. Anthony R. Gizzo.

Mr. HALLEY. Where do you reside?

Mr. Gizzo. 1004 West Sixty-seventh Street.

Mr. HALLEY. Kansas City?

Mr. Gizzo. Yes, sir.

Mr. HALLEY. What is your business?

Mr. Gizzo. At the present time I don't have a business.

Mr. HALLEY. What was your last business?

Mr. Gizzo. The last business? Well, I was booking—

The CHAIRMAN. Let's talk out and get this testimony over with as soon as we can. You just tell us very forthrightly all about this and we will get along a whole lot better.

Mr. Gizzo. I was booking football, baseball, and basketball.

Mr. HALLEY. At the Coates House?

Mr. Gizzo. Yes, sir.

Mr. HALLEY. What was the Coates House, a place where you booked sporting events?

Mr. Gizzo. That is right, sir.

Mr. HALLEY. You had a partner there named Binaggio?

Mr. Gizzo. Binaggio, yes, sir.

Mr. HALLEY. What interest did each of you have in Coates House?

Mr. Gizzo. He had 25 percent and I had 25 percent.

Mr. HALLEY. Who had the other 50 percent?

Mr. Gizzo. A fellow named Sam Butler, Mel Levitt, and Joe Danzo.

Mr. HALLEY. During what period did you have an interest in Coates House?

Mr. Gizzo. I think we opened it up in, I think it was either 1946 or 1947. I can't be sure of that.

Mr. HALLEY. Until when did it run?

Mr. Gizzo. It ran until about 4 months ago.

Mr. HALLEY. Where did you get your odds on sporting events? Who supplied them?

Mr. Gizzo. All the sporting events?

Mr. HALLEY. Yes. For a football game, for instance, who would fix your odds?

Mr. Gizzo. We would call different people around the country.

Mr. HALLEY. Who would you call?

Mr. Gizzo. Minneapolis.

Mr. HALLEY. Who would you call in Minneapolis?

Mr. Gizzo. I couldn't tell you, sir, who we would call. There would be clerks in there, five or six of them.

Mr. HALLEY. Would you ever call?

Mr. Gizzo. No, I never did call.

Mr. HALLEY. What was your connection with Coates House? What function did you perform?

Mr. GIZZO. I helped around a little.

Mr. HALLEY. How?

Mr. GIZZO. I am a bidder. I usually bid on the football games.

Mr. HALLEY. Did you help operate it?

Mr. GIZZO. No, sir.

Mr. HALLEY. Who was the accountant for Coates House?

Mr. GIZZO. I think it was Rosenblum or Rosenbaum, or something like that.

Mr. HALLEY. What is the full name?

Mr. GIZZO. They called him Ginger. I couldn't tell you.

Mr. HALLEY. Ginger Rosenbaum or Rosenblum?

Mr. GIZZO. Something like that.

Mr. HALLEY. Where are they located?

Mr. GIZZO. In the Board of Trade Building.

Mr. HALLEY. Here in Kansas City?

Mr. GIZZO. That is right, sir.

Mr. HALLEY. What other businesses have you had?

Mr. GIZZO. I was in the beer business.

Mr. HALLEY. What beer company?

Mr. GIZZO. The Canadian Ace Co.

Mr. HALLEY. When were you in Canadian Ace?

Mr. GIZZO. I was there from, I think, 1940 to 1946, I think, 1945.

Mr. HALLEY. You were associated with Greenberg there?

Mr. GIZZO. No. I wasn't associated with Greenberg.

Mr. HALLEY. Who were you associated with?

Mr. GIZZO. I was working there.

Mr. HALLEY. Who were you working for?

Mr. GIZZO. Mr. Figgebust.

Mr. HALLEY. In what city did you work for Canadian Ace?

Mr. GIZZO. Kansas City, Mo.

Mr. HALLEY. Are you a native of Kansas City?

Mr. GIZZO. No, sir.

Mr. HALLEY. Where were you born?

Mr. GIZZO. In New York City.

Mr. HALLEY. New York City?

Mr. GIZZO. Yes, sir.

Mr. HALLEY. When did you come to Kansas City?

Mr. GIZZO. I came here, I think about 37 years ago.

Mr. HALLEY. Have you lived here ever since?

Mr. GIZZO. Yes, sir.

Mr. HALLEY. What other businesses have you been in?

Mr. GIZZO. Other businesses since I have been in Kansas City?

Mr. HALLEY. Yes.

Mr. GIZZO. Thinking back, I was doing a little gambling quite a long time.

Mr. HALLEY. Have you operated books?

Mr. GIZZO. Horse books?

Mr. HALLEY. Yes.

Mr. GIZZO. Yes, sir.

Mr. HALLEY. In Kansas City?

Mr. GIZZO. Yes, sir.

Mr. HALLEY. And elsewhere?

Mr. GIZZO. No, sir.

Mr. HALLEY. Were you ever in Chicago?

Mr. GIZZO. Yes, sir.

Mr. HALLEY. Were you arrested in Chicago?

Mr. GIZZO. No, sir.

Mr. HALLEY. In 1944?

Mr. GIZZO. No, sir.

Mr. HALLEY. Weren't you arrested with Charles Fischetti in 1945?

Mr. GIZZO. No, sir.

Mr. HALLEY. That was in Kansas City, wasn't it?

Mr. GIZZO. I wasn't arrested in Kansas City, either.

Mr. HALLEY. Weren't you arrested with Fischetti in Kansas City in 1944?

Mr. GIZZO. No.

Mr. HALLEY. You do know Charles Fischetti?

Mr. GIZZO. Yes, sir; very well.

Mr. HALLEY. Do you know Tony Accardo?

Mr. GIZZO. Yes, sir.

Mr. HALLEY. Do you know Jake Guzik?

Mr. GIZZO. Yes, sir.

Mr. HALLEY. You know them all quite well?

Mr. GIZZO. Not all of them quite well. I know those three quite well.

Mr. HALLEY. I meant those three.

Mr. GIZZO. I beg your pardon?

Mr. HALLEY. You know those three quite well?

Mr. GIZZO. Yes, sir.

Mr. WHITE. Murray Humphreys?

Mr. GIZZO. Yes, sir; I know him.

Mr. HALLEY. Harry Russell?

Mr. GIZZO. Harry Russell; yes, sir.

Mr. HALLEY. Pierce?

Mr. GIZZO. Pierce; yes, sir.

Mr. HALLEY. In fact, you were in Miami with Accardo this winter, weren't you?

Mr. GIZZO. I met him down there.

Mr. HALLEY. This winter?

Mr. GIZZO. I think it was in February.

Mr. HALLEY. Where did you stay in Miami?

Mr. GIZZO. I think it was at the Robert Richter Hotel.

Mr. WHITE. Do you know "Bottles" Capone?

Mr. GIZZO. "Bottles" Capone? No, sir.

Mr. WHITE. Ralph Capone?

Mr. GIZZO. No, sir. I have seen Mimie.

Mr. WHITE. Do you know Mimie?

Mr. GIZZO. Mimie, I have met him several times in the Trade Winds at Chicago when I would go in there to eat.

Mr. WHITE. Have you ever been up to the lake in Wisconsin?

Mr. GIZZO. What lake is that?

Mr. WHITE. Home Place.

Mr. GIZZO. No, sir.

Mr. HALLEY. Who were you with at the Robert Richter?

Mr. GIZZO. Who was I with?

Mr. HALLEY. Yes; who did you stay with?

Mr. GIZZO. I stayed with a fellow from—I forget his name, they call him the colonel. His name is—he is from Columbus, Ga.

Mr. HALLEY. Do you know Abe Allenberg, the manager of the Robert Richter?

Mr. GIZZO. No, sir.

Mr. HALLEY. How did you happen to go there?

Mr. GIZZO. This fellow here had reservations.

Mr. HALLEY. You mean you roomed with him?

Mr. GIZZO. Yes.

Mr. HALLEY. You don't remember his name?

Mr. GIZZO. I will tell you his name in a minute.

Mr. HALLEY. Take your time.

Mr. GIZZO. We called him the colonel.

Mr. HALLEY. Take your time and think about it.

Mr. GIZZO. I think it is Donald—I know his first name is Donald. He has the Seagrams V. O. in Columbus, Ga.

Mr. HALLEY. Seagrams? You mean he is the agent for Seagrams?

Mr. GIZZO. He has the distributorship for Seagrams V. O.

Mr. HALLEY. Have you been attempting to get the Seagrams distributorship here?

Mr. GIZZO. No, sir.

Mr. HALLEY. Or the Schenley distributorship?

Mr. GIZZO. No, sir.

Mr. HALLEY. Or any other liquor distributorship?

Mr. GIZZO. No, sir.

Mr. HALLEY. Have you had any negotiations on that?

Mr. GIZZO. No, sir.

Mr. HALLEY. You were convicted, were you not, for violation of the Narcotics Act?

Mr. GIZZO. Yes, sir; about 26 or 27 years ago.

Mr. HALLEY. Where were you convicted?

Mr. GIZZO. Kansas City: here.

Mr. HALLEY. You served time?

Mr. GIZZO. Yes, sir.

Mr. HALLEY. Were you ever convicted on any other occasion?

Mr. GIZZO. No, sir.

Mr. HALLEY. Do you know Balestrere?

Mr. GIZZO. Yes, sir.

Mr. HALLEY. What business is Balestrere in?

Mr. GIZZO. As far as I know, he has a liquor store down at Eighteenth and Forest.

Mr. HALLEY. Does he have any other business?

Mr. GIZZO. That is about all I know of.

Mr. HALLEY. He is rather widely known as a prominent man in the Mafia, isn't he?

Mr. GIZZO. That is what you hear.

Mr. HALLEY. What do you hear?

Mr. GIZZO. The same thing that you just said there.

Mr. HALLEY. Have you ever talked to Balestrere about it?

Mr. GIZZO. About what?

Mr. HALLEY. About his being in the Mafia.

Mr. GIZZO. No, sir.

Mr. HALLEY. Though you have heard it?

Mr. GIZZO. I have heard it; yes.

Mr. HALLEY. Are you a member of the Mafia?

Mr. GIZZO. No, sir.

Mr. HALLEY. You know you are under oath.

Mr. GIZZO. That is right.

Mr. HALLEY. Do you now belong to the Mafia?

Mr. GIZZO. What is the Mafia? I don't even know what the Mafia is.

Mr. HALLEY. Do you know what the Unione Siciliano is?

Mr. GIZZO. No, sir.

Mr. HALLEY. Do you belong to any group?

Mr. GIZZO. I don't belong to any group but myself.

Mr. HALLEY. I will ask the question another way. Do you belong to any group which has been known or termed the "Mafia"?

Mr. GIZZO. No, sir.

Mr. HALLEY. Did you ever belong to any such group?

Mr. GIZZO. I never did. I never will.

Mr. HALLEY. You are sure of that?

Mr. GIZZO. Positive; yes, sir.

Mr. HALLEY. Have you ever belonged to the Unione Siciliano?

Mr. GIZZO. No, sir. My folks are Naples.

Mr. HALLEY. You never belonged?

Mr. GIZZO. No, sir.

Mr. HALLEY. You are sure of it?

Mr. GIZZO. Positive.

Mr. HALLEY. Do you know what the Unione Siciliano is?

Mr. GIZZO. No, sir; I don't know what it is.

Mr. HALLEY. If you don't know, why do you make the point that your folks are Naples?

Mr. GIZZO. They claim they are Sicilians, you read in the newspaper. Sicilians and Naples are different towns; different, what you call them, dialects.

Mr. HALLEY. When did you first meet Charley Binaggio?

Mr. GIZZO. I have known him since he was a boy.

Mr. HALLEY. Here in Kansas City?

Mr. GIZZO. Yes, sir.

Mr. HALLEY. Were you ever in any other business with Binaggio besides the Coates House?

Mr. GIZZO. We were in several businesses. I think we booked some horses together.

Mr. HALLEY. When did you do that, and where?

Mr. GIZZO. I think it was in 1947.

Mr. HALLEY. Before you went into the Coates House?

Mr. GIZZO. I think so.

Mr. HALLEY. And you operated in Kansas City with him?

Mr. GIZZO. Yes, sir.

Mr. HALLEY. Did you have any other businesses with Binaggio?

Mr. GIZZO. No sir.

Mr. HALLEY. Did you make any contribution to the campaign, to any campaign in 1948?

Mr. GIZZO. I think we gave \$200, I think, to the club out there.

Mr. HALLEY. Who gave \$200?

Mr. GIZZO. Our Coates House.

Mr. HALLEY. And to what club did you give it?

Mr. GIZZO. That Fifteenth Street Club.

Mr. HALLEY. Are you a member of the club?

Mr. GIZZO. No, sir.

Mr. HALLEY. Did you make any other contribution?

Mr. GIZZO. No, sir.

Mr. HALLEY. Did you personally?

Mr. GIZZO. No, sir.

Mr. HALLEY. Did your wife make any other contribution?

Mr. GIZZO. No, sir.

Mr. HALLEY. Or any member of your family?

Mr. GIZZO. Nobody at all.

Mr. WHITE. Do you know Mickey Cohen?

Mr. GIZZO. No, sir.

Mr. WHITE. Did you ever talk to him on the telephone?

Mr. GIZZO. No, sir.

Mr. WHITE. Did you know that in a recent compilation of his telephone numbers, you are on his telephone list?

Mr. GIZZO. I was on his telephone list?

Mr. WHITE. Yes, sir.

Mr. GIZZO. Mr. White, I don't know how I would get on his telephone list. I don't know the man when I see him.

Mr. WHITE. Did the police ever ask you about that?

Mr. GIZZO. No, sir.

Mr. WHITE. Do you have any interest in wire service?

Mr. GIZZO. No, sir.

Mr. WHITE. Did you ever have?

Mr. GIZZO. No, sir.

Mr. WHITE. Do you know any people connected with the wire service in Chicago?

Mr. GIZZO. In Chicago?

Mr. WHITE. Yes.

Mr. GIZZO. No; I don't.

Mr. WHITE. Do you know anyone connected with Continental News Service or Continental Press in Chicago?

Mr. GIZZO. No; I don't.

Mr. WHITE. You don't know anybody who is connected with them in any way, shape, or form?

Mr. GIZZO. No.

Mr. WHITE. Within a month prior to the death of Binaggio, did you ever say to anybody that Binaggio was getting too big for his pants and that he might have to be taken care of?

Mr. GIZZO. No; I never did.

Mr. WHITE. Did you ever say anything that could be construed as having the same meaning as that?

Mr. GIZZO. No, sir; I never did, Mr. White.

Mr. WHITE. As a matter of fact, did you think that Binaggio was getting a little too important politically?

Mr. GIZZO. No; I didn't think—in fact, to tell you the truth, I never paid any attention to it. I was no politician.

Mr. WHITE. Was Binaggio considered pretty much the head man around here in gambling circles prior to his death?

Mr. GIZZO. Yes, sir; that is right.

Mr. WHITE. Would you say that you are considered pretty much the head man in gambling circles around here now?

Mr. GIZZO. Right now?

Mr. WHITE. Well, granted that not much gambling is going on, but would you consider that you are the dominant figure in those circles today?

Mr. GIZZO. Today? I don't know where they get that stuff at.

Mr. WHITE. Who do you think has replaced Binaggio as the dominant figure among gamblers in this area?

Mr. GIZZO. That is hard to say.

Mr. WHITE. Give me a guess as to who you think.

Mr. GIZZO. In the first place, Mr. White, there is no gambling around here, and I don't think there will be any gambling for quite a while, and I don't think anybody even dreams about any gambling around here.

Mr. HALLEY. Why not?

Mr. GIZZO. Well——

Mr. HALLEY. What has changed things?

Mr. GIZZO. I guess they change everything around here, I guess.

Mr. HALLEY. Since when?

Mr. GIZZO. Since the police shake-up and everything else.

Mr. HALLEY. You think there won't be any more gambling here?

Mr. GIZZO. I don't think so, in my opinion.

Mr. HALLEY. Do you know William H. Johnson, the fellow up at the Sportsman Park track?

Mr. GIZZO. No.

Mr. HALLEY. Do you know Johnny Patton?

Mr. GIZZO. No, sir.

Mr. HALLEY. Did you ever hear of him?

Mr. GIZZO. Yes; I have heard of him, but I don't know him.

Mr. HALLEY. Never met him?

Mr. GIZZO. Never met him. I might have met him. You see, I had a bunch of race horses between the years of 1935 and about 1938.

Mr. HALLEY. You must have known Eddie O'Hare, then.

Mr. GIZZO. Eddie O'Hare? No; I didn't know him.

Mr. HALLEY. You have heard of him, too?

Mr. GIZZO. I have heard of him.

Mr. HALLEY. But never met him?

Mr. GIZZO. No; I never met him.

Mr. WHITE. Do you know James Ragen who used to live in Chicago?

Mr. GIZZO. James Ragen?

Mr. WHITE. The man who was knocked off there.

Mr. GIZZO. No.

Mr. HALLEY. Have you any legitimate businesses?

Mr. GIZZO. Legitimate businesses? How can I get into legitimate businesses?

Mr. HALLEY. You worked for Canadian Ace. That is a legitimate business.

Mr. GIZZO. I was trying to get a license in my name there. I have been in trouble since I was a boy. They wouldn't give me a license.

Mr. HALLEY. There are legitimate businesses in which you don't need a license.

Mr. GIZZO. We were in the beer business, and I had a good chance of getting in a legitimate business there, and was building up a nice business, and went to apply for a license and I was turned down for it.

Mr. HALLEY. Who gave you the job with Canadian Ace?

Mr. GIZZO. Mr. Figgibust.

Mr. HALLEY. How did you meet him?

Mr. GIZZO. He came down here from Greenberg, Chicago.

Mr. HALLEY. Who told you about Figgebust—how did you make the contact to get that job?

Mr. GIZZO. We had the Schlitz agency, had a little stock in it.

Mr. HALLEY. Who had that?

Mr. GIZZO. There was a bunch of people had it, 35.

Mr. HALLEY. Were you one of them? There is a legitimate business. And you are shy about these things.

Mr. GIZZO. I am not shy about it. I am just trying to tell you how I got contact with this fellow Figgebust. He came down to run the business.

Mr. HALLEY. The Schlitz agency?

Mr. GIZZO. Yes.

Mr. HALLEY. You had that in what year?

Mr. GIZZO. I think that was all the way from 1937 to about 1942.

Mr. HALLEY. You had the Schlitz agency in Kansas City?

Mr. GIZZO. That is right.

Mr. HALLEY. For any other territory, too?

Mr. GIZZO. Just Kansas City.

Mr. HALLEY. Who were the boys in on that?

Mr. GIZZO. There was a bunch of stockholders.

Mr. HALLEY. Who?

Mr. GIZZO. There was I, and I think Carolla.

Mr. HALLEY. Is that Mike Carolla?

Mr. GIZZO. No; Charley Carolla. I don't know; there must have been 20 stockholders.

Mr. HALLEY. Was Binaggio in that?

Mr. GIZZO. I don't think so; no.

Mr. HALLEY. Let's have a few more.

Mr. GIZZO. Well, there was—

Mr. HALLEY. Gargotta?

Mr. GIZZO. Gargotta. Lacoco.

Mr. HALLEY. Spitz?

Mr. GIZZO. No. I think—

Mr. HALLEY. Balestrere?

Mr. GIZZO. No; I don't think he was.

Mr. HALLEY. Freedlander?

Mr. GIZZO. No; Freedlander wasn't in it. You see, the way they had this, they had a soda pop place here, called the Glendale Soda, and the stock of the beer would go with whatever stock you had in the soda business.

Mr. HALLEY. You were also in the Glendale Soda business?

Mr. GIZZO. That is right.

Mr. HALLEY. You have had a lot of legitimate businesses. You have been holding out on us. The same stockholders were in the Glendale Soda Pop?

Mr. GIZZO. That is right.

Mr. HALLEY. Is that still in existence?

Mr. GIZZO. No, sir.

Mr. HALLEY. When did that go out of existence?

Mr. GIZZO. That went out of existence, I guess, 1939, or 1940.

Mr. HALLEY. What other legitimate businesses did you have?

Mr. GIZZO. That is about all.

Mr. HALLEY. Let's get back to your meeting with a representative of Greenberg. You say he came down here. What is his name again?

Mr. GIZZO. Figgebust.

Mr. HALLEY. He came down here in some way in connection with your Schlitz beer?

Mr. GIZZO. No; he came down here as representative of Canadian Ace beer.

Mr. HALLEY. Then what happened?

Mr. GIZZO. Here is what happened. The story was, in 1939 Charley Carolla got in trouble here, in 1939, and they needed somebody to run the plant down there.

Mr. HALLEY. Was Carolla at that time running the soda pop and the beer business?

Mr. GIZZO. No. I think a fellow by the name of Duke was running the soda-pop business.

Mr. HALLEY. Go ahead.

Mr. GIZZO. Carolla, I think or his brothers, were running the beer place. He got in trouble, and that is how they sent Figgebust down there. Greenberg sent Figgebust down here to take over.

Mr. HALLEY. Carolla go in what kind of trouble?

Mr. GIZZO. He got in trouble on income tax.

Mr. HALLEY. He went to jail?

Mr. GIZZO. Yes, sir.

Mr. HALLEY. Greenberg sent Figgebust down?

Mr. GIZZO. That is right.

Mr. HALLEY. To take over?

Mr. GIZZO. I don't know whether he sent him down. I don't know whether Figgebust bought the place—I think the stockholders sold out, all the stockholders, I think in 1940.

Mr. HALLEY. To Figgebust?

Mr. GIZZO. Yes.

Mr. HALLEY. He was working for Greenberg?

Mr. GIZZO. I don't know that. I don't know whether he was working for him or whether the place belonged to him.

Mr. HALLEY. From then on he handled Canadian Ace?

Mr. GIZZO. From then on he had Schlitz and Canadian Ace. That is when I went to work for him; he called me up and asked if I wouldn't help him out, and I went to work for him.

Mr. HALLEY. What was your job?

Mr. GIZZO. My job was salesman.

Mr. HALLEY. To whom did you sell this beer?

Mr. GIZZO. To all the taverns and grocery stores and every place.

Mr. HALLEY. Did you ever go to Chicago and discuss it with Greenberg?

Mr. GIZZO. With Greenberg?

Mr. HALLEY. Yes.

Mr. GIZZO. Yes; I was in Chicago one time and discussed it with Greenberg.

Mr. HALLEY. Was Figgebust there when you went to see Greenberg?

Mr. GIZZO. No.

Mr. HALLEY. What did you go to Chicago to talk about with Greenberg?

Mr. GIZZO. I told Greenberg that we were going to lose the Schlitz agency on account of Mr. Figgebust, every time anybody wanted to buy some beer, he was delivering them Canadian Ace, and we did lose the Schlitz agency.

Mr. HALLEY. I don't quite understand how Figgebust appeared just when Carolla was sentenced to jail. Was Carolla working for Greenberg?

Mr. GIZZO. No, sir.

Mr. HALLEY. Carolla was a local boy; wasn't he?

Mr. GIZZO. Yes, sir.

Mr. HALLEY. Why did Greenberg, at just that point, send Figgebust down? Perhaps you can clarify that. It is a little confusing to me.

Mr. GIZZO. Yes. I think we told him we wanted to sell out, sell the stock.

Mr. HALLEY. Told whom?

Mr. GIZZO. Greenberg.

Mr. HALLEY. Then you had known Greenberg before this happened?

Mr. GIZZO. Yes; I had known Greenberg.

Mr. HALLEY. You had met him in Chicago?

Mr. GIZZO. Yes.

Mr. HALLEY. You told him you wanted to sell out?

Mr. GIZZO. Well, he came to Kansas City.

Mr. HALLEY. What did you do, call Greenberg up and say, "We are in trouble, we are losing Carolla"?

Mr. GIZZO. No; we told him that we wanted to sell out, that we had all this trouble, and all the stockholders were hollering. They thought we were beating them out of their money. They never got any dividends or anything.

Mr. HALLEY. Who was running this Schlitz agency, you and Carolla?

Mr. GIZZO. No.

Mr. HALLEY. Who?

Mr. GIZZO. The Carolla brothers.

Mr. HALLEY. You were pretty active in it one way or another?

Mr. GIZZO. I wasn't active. I became active after Figgebust bought this place.

Mr. HALLEY. You have just said that you called Greenberg and told him that the stockholders thought "we were beating them out of their money." That must have included you.

Mr. GIZZO. That is right. I was anxious to get my money out, too.

Mr. HALLEY. You must have been more than just a stockholder. You were different from the fellows who thought they were being beat out of their money.

Mr. GIZZO. I was a stockholder. All the stockholders told me they weren't getting any dividends. I called Greenberg up and told him about it. I was interested in getting my money out of it, too.

Mr. HALLEY. Where did you make all your Chicago connections? You know the boys pretty well. How did you get to know them?

Mr. GIZZO. I don't know. I have known Charley for 25 years, I guess. I don't know.

Mr. HALLEY. Where did you meet him?

Mr. GIZZO. I met him in Chicago.

Mr. HALLEY. Did you work in Chicago at one time?

Mr. GIZZO. No, sir.

Mr. HALLEY. Did you live there at any time?

Mr. GIZZO. No, sir; I never lived in Chicago in my life.

Mr. HALLEY. How did you happen to meet Charley Fischetti in Chicago?

Mr. GIZZO. He has a brother there.

Mr. HALLEY. Rocco?

Mr. GIZZO. No; the other one, Joey, who is quite a fellow with the women. I got to running around with him. That is how I met Charley; and Rocco, too.

Mr. HALLEY. You were running around with Joe Fischetti?

Mr. GIZZO. Yes.

Mr. HALLEY. Did you get to know Al Capone, too?

Mr. GIZZO. No, sir. I never knew Al Capone.

Mr. HALLEY. Did you get to know any of his brothers?

Mr. GIZZO. No, sir.

Mr. HALLEY. None of the family?

Mr. GIZZO. No, sir.

Mr. HALLEY. But you did get to know the Fischettis?

Mr. GIZZO. Yes.

Mr. HALLEY. Then you met Accardo?

Mr. GIZZO. No; I met Accardo when I had the race horses.

Mr. HALLEY. Where did you run the horses?

Mr. GIZZO. Over at Chicago, Miami, California.

Mr. HALLEY. When did you get the horses?

Mr. GIZZO. In 1935.

Mr. HALLEY. That is supposed to be a very expensive hobby. Where did you get the money to buy the race horses?

Mr. GIZZO. Where did I get the money to buy the race horses? I won it.

Mr. HALLEY. How?

Mr. GIZZO. Gambling.

Mr. HALLEY. You were in the gambling business prior to 1935?

Mr. GIZZO. That is right.

Mr. HALLEY. When did you sell the race horses?

Mr. GIZZO. I sold them in 1937 or 1938.

Mr. HALLEY. Who did you sell them to?

Mr. GIZZO. I don't remember now. I sold them to gypsies, they call them.

Mr. HALLEY. Do you know whether Fischetti is a member of the Mafia?

Mr. GIZZO. I tell you, I don't know what the Mafia is.

Mr. HALLEY. You have heard of it, you said. It is a society; is that right?

Mr. GIZZO. All I know about the Mafia is that they had a thing happen here in Kansas City one time about 30 years ago.

Mr. HALLEY. What was that?

Mr. GIZZO. Somebody wrote a letter and asked a fellow to put some money in a cannon down here at North End. This fellow went down to pick the money up, and the police shot him.

Mr. HALLEY. Was he a Mafia man?

Mr. GIZZO. That is all I know about it. I don't know whether he was a Mafia man or—

Mr. HALLEY. Why do you associate that incident 30 years ago with the Mafia?

Mr. GIZZO. Why do I associate it with it?

Mr. HALLEY. Why do you bring that up?

Mr. GIZZO. That is what I always thought it was, that you sent a letter through the mail, Black Hand, as they call it, definition of the thing.

Mr. WHITE. Did you ever hear of the term "greenies"?

Mr. GIZZO. Greenies; yes, sir.

Mr. WHITE. What does that mean to you?

Mr. GIZZO. It means that they can't talk good English.

Mr. WHITE. Would you call your friend Balestere a "greenie"?

Mr. GIZZO. Well, I suppose you might have to call him that. I don't know whether you would call him that or not, but I guess he would get insulted if you did.

Mr. WHITE. Would you call the DiGiovanni family "greenies"?

Mr. GIZZO. Well, you could.

Mr. WHITE. Would you call Nicolo Impostato a "greenie"?

Mr. GIZZO. You would.

Mr. WHITE. Would you call him that?

Mr. GIZZO. I wouldn't dare call him anything like that, because I wouldn't want to.

Mr. WHITE. Is Nicolo Impostato a tough fellow?

Mr. GIZZO. He isn't tough, but I don't like to hurt anybody's feelings.

Mr. WHITE. Do you know a man named Jack Dragna?

Mr. GIZZO. Yes, I met him in California.

Mr. WHITE. Los Angeles. Do you know Mo Mo Adamo?

Mr. GIZZO. Yes, sir; he used to be here.

Mr. WHITE. Do you know Joe Profaci, Mamamia Oil Co. in Brooklyn?

Mr. GIZZO. I know nothing of that.

Mr. HALLEY. Did you ever hear of them?

Mr. GIZZO. I never heard of them.

Mr. HALLEY. Are you sure?

Mr. GIZZO. Positive.

Mr. WHITE. Do you know Tony Milano in Cleveland?

Mr. GIZZO. No.

Mr. WHITE. Or in California?

Mr. GIZZO. No, sir.

Mr. WHITE. Do you know the Mangano brothers in Brooklyn?

Mr. GIZZO. No, sir.

Mr. WHITE. Joe Bedelli?

Mr. GIZZO. Joe Bedelli? The name sounds familiar.

Mr. WHITE. They call him Joe "B" in New York.

Mr. GIZZO. No; I don't think I know him.

Mr. WHITE. Do you know Willie Moore?

Mr. GIZZO. I think I have seen Willie Moore in New York.

Mr. WHITE. Do you know his brother, Sol?

Mr. GIZZO. No; I don't know his brother.

Mr. WHITE. Do you know Joe Adonis, Joe "A."

Mr. GIZZO. I have heard of him. I have seen him.

Mr. WHITE. Have you met him?

Mr. GIZZO. I never did meet him.

Mr. WHITE. Where did you see him?

Mr. GIZZO. In New York.

Mr. WHITE. Where in New York?

Mr. GIZZO. The race track.

Mr. WHITE. Do you know a fellow they call Nani, Bastiano Nani?

Mr. GIZZO. No, sir; I do not know him.

Mr. WHITE. Do you know the LaRocca family in San Francisco?

Mr. GIZZO. No, sir.

Mr. WHITE. Do you know Pete Licavoli?

Mr. GIZZO. I don't know him. I think I have seen him in Chicago once or twice.

Mr. WHITE. Do you know any of his brothers?

Mr. GIZZO. No, sir.

Mr. WHITE. Have you ever been to his ranch in Tucson?

Mr. GIZZO. Never.

Mr. WHITE. Have you been introduced to him?

Mr. GIZZO. No, sir.

Mr. WHITE. Do you know Joe Massei?

Mr. GIZZO. Joe Massei; I think I met him.

Mr. WHITE. In Detroit?

Mr. GIZZO. Florida.

Mr. HALLEY. You saw him last winter, didn't you?

Mr. GIZZO. No, I didn't see him last winter.

Mr. WHITE. Do you know Sam Maceo?

Mr. GIZZO. I have heard of him.

Mr. WHITE. Do you know a man by the name of Dionoso in Trinidad, Colo?

Mr. GIZZO. No.

Mr. WHITE. Do you know the Sica brothers?

Mr. GIZZO. No, sir.

Mr. WHITE. Do you know a man named Joe Bonamo?

Mr. GIZZO. No, sir; I don't know him.

Mr. WHITE. Also known as Joe "Bananas."

Mr. GIZZO. No, sir.

Mr. WHITE. Do you know Santos Traficante from Tampa?

Mr. GIZZO. No, sir.

Mr. WHITE. Do you know Red Italiano?

Mr. GIZZO. No, sir.

Mr. WHITE. Do you know Paul Ricca from Chicago?

Mr. GIZZO. Paul who?

Mr. WHITE. Ricca.

Mr. GIZZO. Yes; I know him.

Mr. WHITE. Do you know Tom Buffa from St. Louis?

Mr. GIZZO. No, sir.

Mr. WHITE. The late Tom Buffa, I should say.

Do you know John Vitale?

Mr. GIZZO. Yes; I know him.

Mr. HALLEY. One more. Do you know Frank Costello?

Mr. GIZZO. Yes, sir.

Mr. HALLEY. Where did you meet him?

Mr. GIZZO. In New Orleans.

Mr. HALLEY. When?

Mr. GIZZO. During, I think, 1948, the Sugar Bowl game.

Mr. HALLEY. Who was he with?

Mr. Gizzo. A little fellow, Kastel.

Mr. HALLEY. Who else was there?

Mr. Gizzo. I don't know. A fellow named Brown.

Mr. HALLEY. Brown?

Mr. Gizzo. Yes.

Mr. HALLEY. What is Brown's first name?

Mr. Gizzo. I really couldn't tell you.

Mr. WHITE. Tommy Brown, "Nine Finger" Tommy Brown from New York?

Mr. Gizzo. No, no.

Mr. HALLEY. The Beverly Club?

Mr. Gizzo. Yes.

Mr. HALLEY. Were you at the Beverly Club?

Mr. Gizzo. Yes.

Mr. HALLEY. How often did you see Frank Costello while you were there?

Mr. Gizzo. I saw him, I think, once or twice at the club.

Mr. HALLEY. When did you last speak to Frank Costello?

Mr. Gizzo. I don't believe I ever talked to Frank since 1948.

Mr. HALLEY. Even by telephone?

Mr. Gizzo. Yes, sir.

Mr. WHITE. Did you know Sam Carolla in New Orleans?

Mr. Gizzo. Sam Carolla?

Mr. WHITE. Yes.

Mr. Gizzo. I tell you, I met him here.

Mr. WHITE. With a little fellow who was here?

Mr. Gizzo. I met him here through Charley Binaggio.

Mr. WHITE. With little Frankie Capolla at the time? They were together?

Mr. Gizzo. Yes.

Mr. WHITE. In connection with all these people whose names I have asked you about and whom you say you know, would it be a fair statement to say that they are the type of people that you would trust in a business transaction?

Mr. Gizzo. Would trust?

Mr. WHITE. Say in your gambling business. Would you feel that you could call up any one of these people and make a bet with them and that you would be paid if you won?

Mr. Gizzo. Well, I don't think that they do any bookmaking.

Mr. WHITE. Suppose they called you up and made a bet with you, would you take their word for the fact that they were good for the money?

Mr. Gizzo. Well, I don't know. One of them there—

Mr. WHITE. Say Tony Accardo called you up.

Mr. Gizzo. He was in it. That is how I met him. He was in the bookmaking business 14 or 15 years ago.

Mr. WHITE. If he called you, would you trust him for a bet?

Mr. Gizzo. If he called me?

Mr. WHITE. Yes.

Mr. Gizzo. Yes; I think I would.

Mr. WHITE. If you called him, would he trust you?

Mr. Gizzo. I suppose he would.

Mr. WHITE. Most of these other people that we have spoken of, there is no question but that you would take their word for a matter of money; is that correct?

Mr. GIZZO. I don't know. A lot of them I don't know that well.

Mr. WHITE. What I am trying—

Mr. GIZZO. I will tell you who I would take their word, if you want to put it, Mr. White.

Mr. WHITE. How about Jack Dragna?

Mr. GIZZO. I don't know him very well.

Mr. WHITE. How about Mo Mo Adamo?

Mr. GIZZO. I don't know him very well.

Mr. WHITE. How about Joe Profaci? You said you didn't know him?

Mr. GIZZO. I don't know him.

Mr. WHITE. How about Willy Moretti?

Mr. GIZZO. I don't know him.

Mr. WHITE. How about Joe Adonis?

Mr. GIZZO. Joe Adonis, I don't think he would ever have occasion to call here for a bet.

Mr. WHITE. Suppose he did?

Mr. GIZZO. Suppose he did, and if I would recognize his voice—and I don't know his voice—it would be a thing that you couldn't say. You know what I mean?

Mr. WHITE. Here is what I am trying to get at, Mr. Gizzo: You have a wide acquaintance throughout the country with a number of outstanding people who are commonly referred to as members of the Mafia or the "Greenies" or members of the Unione Siciliana? You have a quite wide acquaintance around the country with people such as I have named, and no doubt others in the same category, who are generally referred to in the newspapers, or loosely, correctly, or incorrectly, whatever the case may be, as members of the Mafia?

Mr. HALLEY. Did you answer the question?

Mr. GIZZO. No; I haven't answered.

Mr. WHITE. Do you or do you not? Do you have an acquaintance with people of that nature?

Mr. GIZZO. I couldn't swear that they are members of the Mafia.

Mr. WHITE. I am not asking you to swear that, Mr. Gizzo. I am just asking you if you have an acquaintance with a lot of people who are termed "members of the Mafia" by the newspapers or otherwise, whether or not that is correct?

Mr. GIZZO. Mr. White, you have asked me about those people. The chances are I know maybe 20,000 other people, maybe, that are up in life, too.

Mr. WHITE. That is right. I am asking you about these particular people, who I think you realize have been frequently referred to as members of the Mafia. You do know many people of that caliber throughout the United States, do you not?

Mr. GIZZO. I don't know whether I do. I mentioned the ones I know there. If you say they belong to the Mafia, that is news to me.

Mr. WHITE. You have read about their names in the paper? You have read of Jack Dragna out in California?

Mr. GIZZO. Yes.

Mr. WHITE. And Mo Mo Adamo in the newspapers? You have read of Paul Ricca in the newspapers? You know Tony Accardo. You have seen them referred to commonly as members of the Maffia, haven't you?

Mr. Gizzo. That is right, that is right.

Mr. WHITE. Do you feel there is a basis of mutual trust and understanding between you and the people that you have said you know here, say, Tony Accardo and Joe Adonis, so that you could do business with each other and trust each other throughout the United States?

Mr. Gizzo. I have never had occasion to do any business with them. I wouldn't say that. I have never had one opportunity to do any business with any of them. All I know is that I know them and I see them when—race horses, and stuff like that. But I never had any dealings with them.

Mr. HALLEY. Were you ever in Cleveland?

Mr. Gizzo. I was in Cleveland once.

Mr. HALLEY. When?

Mr. Gizzo. I think it was during the war when the Navy and Army played there. I stayed overnight. I think it was on a Saturday. We left Friday and got there Saturday, and left, I think, Sunday morning.

The CHAIRMAN. Mr. Gizzo, may I ask you two or three questions?

Mr. Gizzo. Yes.

The CHAIRMAN. This Coates House that you operated, are you still operating that?

Mr. Gizzo. No, sir; it is closed.

The CHAIRMAN. That was just you and Charley Binaggio; is that correct?

Mr. Gizzo. No. When this trouble came up, I think Charley Binaggio cut out of it altogether. I think it was late in 1949.

The CHAIRMAN. That was a gambling place and a horse wire?

Mr. Gizzo. No horse wire at all.

The CHAIRMAN. How much was the take per month from that place? How much did you make out of it a month?

Mr. Gizzo. I couldn't tell you a month. Some months—I don't know. I could tell you the year.

The CHAIRMAN. By the year, then.

Mr. Gizzo. About \$100,000 a year.

The CHAIRMAN. Net profit?

Mr. Gizzo. Net profit after expenses were paid.

The CHAIRMAN. What interest in it did you have?

Mr. Gizzo. I had 25 percent.

The CHAIRMAN. Who were the other three?

Mr. Gizzo. You mean in the Coates House?

The CHAIRMAN. Yes.

Mr. Gizzo. There was Charley Binaggio was one, Sammy Butler, and Joe Danzo.

The CHAIRMAN. Where did that operate?

Mr. Gizzo. 1009 Broadway.

The CHAIRMAN. That is Tenth and Broadway?

Mr. Gizzo. Yes, sir.

The CHAIRMAN. Is that in the city of Kansas City?

Mr. Gizzo. Yes, sir.

The CHAIRMAN. When did it finally close?

Mr. Gizzo. It closed, I would say, about 2½ or 3 months ago.

The CHAIRMAN. Did you operate it—were you there all the time, most of the time, seeing about it?

Mr. Gizzo. No. During the operation of the Coates House, I practically wasn't there at all.

The CHAIRMAN. How did you get by the police?

Mr. Gizzo. We had a cigar store there.

The CHAIRMAN. Didn't the police know you were operating?

Mr. Gizzo. No, sir. They knew, but they could never catch us.

The CHAIRMAN. Did you pay them off?

Mr. Gizzo. No.

The CHAIRMAN. Contribute to their fund?

Mr. Gizzo. No, sir.

The CHAIRMAN. Why could they not catch you? Anybody could come in, could they not?

Mr. Gizzo. We knew our customers. Nobody could make a bet with us unless we knew them.

The CHAIRMAN. At that same time, what else were you operating? Did you have an interest in the Last Chance?

Mr. Gizzo. No, sir; I never had nothing to do with the Last Chance.

The CHAIRMAN. What other operation did you have?

Mr. Gizzo. That is the only operation I was operating.

The CHAIRMAN. Did you own any interest in the wire service?

Mr. Gizzo. No, sir.

The CHAIRMAN. How about some of these gambling places up at Council Bluffs and somewhere else?

Mr. Gizzo. I never had anything to do with it at all.

The CHAIRMAN. What other enterprises did you have with Charley Binaggio?

Mr. Gizzo. That was the only enterprise that Charley Binaggio was in with me.

The CHAIRMAN. In this beer business, Mr. Figgebust sent you \$300,000 worth of things on credit down here at one time, did he not?

Mr. Gizzo. No. That is a different deal altogether.

The CHAIRMAN. What was that deal?

Mr. Gizzo. We got in the whisky business.

The CHAIRMAN. Yes, and who did you deal with in the whisky business?

Mr. Gizzo. Mr. Grosscurth.

The CHAIRMAN. What company was that?

Mr. Gizzo. He had a distillery, the Lawrence Distillery Co.

The CHAIRMAN. Where?

Mr. Gizzo. Lawrenceburg, Ky.

The CHAIRMAN. Where did you meet Mr. Grosscurth?

Mr. Gizzo. I met him through Mr. Chet Demayo here.

The CHAIRMAN. Did you form a company to handle his line here?

Mr. Gizzo. Yes, sir; we formed a company.

The CHAIRMAN. You and who else?

Mr. Gizzo. Me and Mr. Walton.

The CHAIRMAN. Nobody else in it except you two?

Mr. Gizzo. Well, his wife. I couldn't get a license, so I worked on commission.

The CHAIRMAN. That was a wholesale company?

Mr. Gizzo. Yes, sir.

The CHAIRMAN. How big a company was it you formed?

Mr. Gizzo. It wasn't a very large company.

The CHAIRMAN. A small company, was it not?

Mr. Gizzo. Yes.

The CHAIRMAN. \$10,000 or \$15,000?

Mr. Gizzo. Something like that.

The CHAIRMAN. He shipped you \$300,000 worth of liquor on credit, did he not?

Mr. Gizzo. He didn't ship us \$300,000 worth of liquor at one time on credit.

The CHAIRMAN. I know, but you owed him that much on what you bought?

Mr. Gizzo. Yes. He had security, though.

The CHAIRMAN. What security did he have?

Mr. Gizzo. He had some warehouse receipts that we had some bulk whisky.

The CHAIRMAN. Did you not leave him holding the bag with a considerable amount of it?

Mr. Gizzo. The way it was, he sold me some whisky, I think about 5,000 or 6,000 or 7,000 cases of whisky, at \$67 a case, and I thought it was a little too high. We got stuck with it. So we had to sell it for \$50 or \$52 or \$55. In fact, I owe him \$123,000 right now on account—I say I owe him because I stood good for the whisky.

The CHAIRMAN. You mean the company owes it?

Mr. Gizzo. The company owes it.

The CHAIRMAN. Or do you personally owe it?

Mr. Gizzo. Practically, you would say the company owes him, but Mr. Walton doesn't have anything.

The CHAIRMAN. Is the company still operating?

Mr. Gizzo. No, sir.

The CHAIRMAN. Are you going to pay him?

Mr. Gizzo. Yes, sir. I am going to make a settlement with him. In fact, I wrote him a letter just the other day.

The CHAIRMAN. What are you worth now, Mr. Gizzo?

Mr. Gizzo. How much am I worth?

The CHAIRMAN. Yes.

Mr. Gizzo. I don't know.

The CHAIRMAN. What would you estimate your worth to be, half a million dollars?

Mr. Gizzo. Oh, no. I wish I was.

The CHAIRMAN. \$200,000?

Mr. Gizzo. No, sir.

The CHAIRMAN. What stocks and bonds do you own?

Mr. Gizzo. I don't own any stocks and bonds.

The CHAIRMAN. Do you own anything on the big exchange?

Mr. Gizzo. No, sir.

The CHAIRMAN. Did you ever deal in stocks on the exchange?

Mr. Gizzo. One time I had some stocks.

The CHAIRMAN. When was that?

Mr. Gizzo. I think that was in 1938.

The CHAIRMAN. Just to buy whatever you thought was going to be worth while?

Mr. Gizzo. I bought one stock, Lonsdale Oil Co.

The CHAIRMAN. Did you operate in Chicago or have any business there?

Mr. Gizzo. I never did.

The CHAIRMAN. I still do not understand. You came down here from New York. How did you happen to get to know these Chicago fellows so well, Fischetti and the others?

Mr. Gizzo. I told you that I met Joey, his brother, in North Chicago. We used to go cabaretting around there. That is how I got acquainted with him.

The CHAIRMAN. You fellows in the gambling business sort of have a knowledge about where one another hang out and get to know one another when you go to their town?

Mr. Gizzo. When you go to the Chez Paree, you practically see everybody there. It is like coming here, you go down to Eddie's or one of these places around here.

The CHAIRMAN. It is sort of understood between you what place you can go to in order to get in touch with somebody else?

Mr. Gizzo. No, that isn't the case. They all go there on account of its being a fine cafe, like fine shows and fine food.

The CHAIRMAN. They have good shows and good food at the Blackstone or the Stevens, but you do not go there?

Mr. Gizzo. Sometimes we go there.

The CHAIRMAN. Do you know Frank Erickson?

Mr. Gizzo. Frank Erickson?

The CHAIRMAN. Yes.

Mr. Gizzo. I think I met him one time.

The CHAIRMAN. Did you ever do any lay-off business with him?

Mr. Gizzo. Oh, it has been a long time ago.

The CHAIRMAN. When was the last time you have been in the horse race business, I mean in the bookie business?

Mr. Gizzo. In the bookie business?

The CHAIRMAN. Yes.

Mr. Gizzo. I think it was in 1947.

The CHAIRMAN. Who were you in that with?

Mr. Gizzo. By myself.

The CHAIRMAN. Where did you operate?

Mr. Gizzo. Over in North Kansas City.

The CHAIRMAN. North Kansas City?

Mr. Gizzo. Yes, sir.

The CHAIRMAN. Is that in Missouri?

Mr. Gizzo. Yes, sir.

The CHAIRMAN. Did you ever operate in Kansas City, Kans.?

Mr. Gizzo. No, sir.

The CHAIRMAN. During that time, you did some lay-off betting with Frank Erickson?

Mr. Gizzo. No, I never bet Frank Erickson myself. There is a fellow in town named Dread Finnell.

The CHAIRMAN. He takes lay-off bets?

Mr. Gizzo. Yes, sir.

The CHAIRMAN. Do you know these people who operate the wire service here, or did operate it?

Mr. Gizzo. No, I don't. I know of them.

The CHAIRMAN. Spitz?

Mr. Gizzo. Spitz and Simon.

The CHAIRMAN. Klein?

Mr. Gizzo. Klein, yes. I know them.

The CHAIRMAN. Did you get service from them?

Mr. Gizzo. I never had any service.

The CHAIRMAN. When you were operating a bookie place—

Mr. Gizzo. I was in North Kansas City in somebody else's place. I bet. I don't book.

The CHAIRMAN. You are a bettor?

Mr. Gizzo. I am a bettor.

The CHAIRMAN. Did you usually win betting on horses?

Mr. Gizzo. Sometimes in the summertime you do.

The CHAIRMAN. Are you in touch with Frank Capolla?

Mr. Gizzo. Am I in touch with Frank Capolla?

The CHAIRMAN. Yes. Do you correspond with him?

Mr. Gizzo. No, sir.

The CHAIRMAN. He is in Mexico, is he not?

Mr. Gizzo. The last time I heard of him.

The CHAIRMAN. Or Charley Carolla? Are you in touch with him?

Mr. Gizzo. No, sir.

The CHAIRMAN. Have you seen them since they left here?

Mr. Gizzo. No, sir.

The CHAIRMAN. Who is the narcotics ring here in Kansas City now?

Mr. Gizzo. I don't think there is any narcotics ring.

The CHAIRMAN. Are you in narcotics?

Mr. Gizzo. I should say not.

The CHAIRMAN. What?

Mr. Gizzo. I should say not.

The CHAIRMAN. When did you give that up?

Mr. Gizzo. When did I give that up?

The CHAIRMAN. Yes.

Mr. Gizzo. When I was a kid.

The CHAIRMAN. That was 1941 that you were convicted of narcotics?

Mr. Gizzo. Not '41.

The CHAIRMAN. When was it?

Mr. Gizzo. It was about 1921 or '22, I would say.

The CHAIRMAN. 1923 and also '24, was it not?

Mr. Gizzo. No, just once.

The CHAIRMAN. You were arrested one time before and charged with it, and you got out on that occasion?

Mr. Gizzo. No. I went up and did that time. That is the only time.

The CHAIRMAN. You never fooled with narcotics since then?

Mr. Gizzo. No, sir, I never have.

The CHAIRMAN. Is there a narcotics ring operating here?

Mr. Gizzo. I don't know. Do you want me to tell a little story?  
(Discussion off the record.)

The CHAIRMAN. Back on the record.

You have a fairly new Cadillac automobile?

Mr. Gizzo. I beg your pardon?

The CHAIRMAN. Do you have a Cadillac automobile?

Mr. Gizzo. Yes, sir.

The CHAIRMAN. Do you know Savona Simone down in Mexico, Mo.? Is that his name, Savona Simone?

Mr. Gizzo. In Mexico, Mo.?

Mr. WILSON. The same as "Highway" Simone, I think.

Mr. Gizzo. He lives here.

The CHAIRMAN. Is he a friend of yours, an associate of yours?

Mr. GIZZO. I know him; yes. He lives here. He doesn't live in Mexico, Mo.

The CHAIRMAN. I think that is all I have.

Is there anything else?

Mr. HALLEY. That is all, Mr. Gizzo.

The CHAIRMAN. Wait just a minute, Mr. Gizzo. You said the Coates House had closed up?

Mr. GIZZO. The Coates House closed up—that is what I was trying to tell you—in 1949, when this trouble came along, and we opened it up about 3 weeks later.

The CHAIRMAN. Under the Gizzo News Co.?

Mr. GIZZO. Yes, sir; the Gizzo News Co. We operated it part of 1949 and 1950.

The CHAIRMAN. When did you close it up last?

Mr. GIZZO. The Gizzo News Co.—about 2 or 3 months ago.

The CHAIRMAN. Is it operating now?

Mr. GIZZO. No, sir.

The CHAIRMAN. Is the cigar store still operating?

Mr. GIZZO. No; we moved that. We gave up the cigar store.

The CHAIRMAN. You moved out or just moved somewhere else?

Mr. GIZZO. We moved out. We are out of business altogether.

The CHAIRMAN. All right.

If we need you any more, we will call you, Mr. Gizzo.

(Witness excused.)

The CHAIRMAN. Mr. Edlund and Mr. Ragland, do you and each of you solemnly swear that the testimony you will give this committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. RAGLAND. I do.

Mr. EDLUND. I do.

**TESTIMONY OF RAYMOND A. EDLUND, TREASURER, DEMOCRATIC STATE COMMITTEE, KANSAS CITY, MO., AND B. E. RAGLAND, ASSISTANT TREASURER, DEMOCRATIC STATE COMMITTEE, JEFFERSON CITY, MO.**

Mr. HALLEY. You are Mr. Edlund?

Mr. EDLUND. I am Edlund.

Mr. HALLEY. Suppose I address my questions in the first instance to you, Mr. Edlund, and if Mr. Ragland can answer better, then you may pass the question to him, or you just chime right in.

What is your full name, Mr. Edlund?

Mr. EDLUND. Raymond A. Edlund.

Mr. HALLEY. And your address?

Mr. EDLUND. 1015 West Gregory Boulevard, Kansas City, Mo.

Mr. HALLEY. And in what business are you?

Mr. EDLUND. Right now, in the drug business, but I am a banker. I am just organizing a new bank, and I am right in the midst of changing.

Mr. HALLEY. What bank did you last have?

Mr. EDLUND. Merchants Bank of Kansas City.

Mr. HALLEY. Were you the owner of that bank?

Mr. EDLUND. No, sir.

Mr. HALLEY. What position did you hold?

Mr. EDLUND. Vice president.

Mr. HALLEY. What is your drug business?

Mr. EDLUND. Wholesale drugs.

Mr. HALLEY. Located here?

Mr. EDLUND. Yes, sir.

Mr. HALLEY. Mr. Ragland, what is your residence?

Mr. RAGLAND. Jefferson City.

Mr. HALLEY. And what is the full address?

Mr. RAGLAND. You want my residence?

Mr. HALLEY. Your residence.

Mr. RAGLAND. 1611 West Main.

Mr. HALLEY. Jefferson City?

Mr. RAGLAND. Jefferson City, Mo.; yes, sir.

Mr. HALLEY. What is your business?

Mr. RAGLAND. I am director of the division of mental diseases.

Mr. HALLEY. I am sorry, I didn't hear you.

Mr. RAGLAND. Director of the division of mental diseases.

Mr. HALLEY. In the State department of health?

Mr. RAGLAND. State department of public welfare and health.

Mr. HALLEY. Mr. Edlund, did you have some connection with the political campaign or campaigns of 1948?

Mr. EDLUND. I am the State treasurer.

Mr. HALLEY. You are the State treasurer?

Mr. EDLUND. Yes, sir.

Mr. HALLEY. What were your duties in that connection?

Mr. EDLUND. My duties at that time were to collect and keep records of the money received by the Democratic State committee.

Mr. HALLEY. Did you have any duties beyond those connected with the Democratic State committee? Did you receive funds for the personal campaign of any candidate?

Mr. EDLUND. No; I did not.

Mr. HALLEY. Did you receive funds or transmit funds for any county or local political campaign?

Mr. EDLUND. No. I don't quite understand that.

Mr. HALLEY. I am just trying to find out the function you performed. Was it solely connected with the State committee?

Mr. EDLUND. Solely connected with the Democratic State committee; yes, sir.

Mr. HALLEY. What was your function in the campaign, Mr. Ragland?

Mr. RAGLAND. You mean in the general or primary, or both?

Mr. HALLEY. Both.

Mr. RAGLAND. I was employed in the State auditor's office. I handled the funds in Governor Smith's—I handled the funds—we had what we called an office fund. I handled those funds. When he announced for Governor, I also handled the campaign contribution and paid all the bills.

Mr. HALLEY. Were you at that time employed as an auditor for the State?

Mr. RAGLAND. I was chief clerk in the State auditor's office.

Mr. HALLEY. Did you do that work right in the State auditor's office?

Mr. RAGLAND. Yes, sir. Let me correct that. I did part of it there and part of it down at his headquarters after he announced for Governor.

Mr. HALLEY. What other functions did you have besides handling the funds for Governor Smith's personal campaign?

Mr. RAGLAND. I was assistant treasurer of the Democratic State committee.

Mr. HALLEY. How was Governor Smith's primary campaign financed? Was it financed in part by the State committee?

Mr. RAGLAND. No, none.

Mr. HALLEY. None by the State committee?

Mr. RAGLAND. Not to my knowledge. I am sure we didn't receive any money from the State committee.

Mr. HALLEY. Is that also your understanding, Mr. Edlund?

Mr. EDLUND. You see, I wasn't treasurer then. I was the treasurer after the primary.

Mr. HALLEY. I see. How was the primary campaign financed, then? Out of Governor Smith's personal campaign fund?

Mr. RAGLAND. He put in some money, and employees and friends, contributions from individuals.

Mr. HALLEY. Let us now, then, dispose of the personal campaign in the primary.

Mr. RAGLAND. Yes, sir.

Mr. HALLEY. Have you here a list of the contributors?

Mr. RAGLAND. No, sir, I have not. The reason I didn't bring those, Mr. Edlund called me Monday night to bring up the State committee records, and I left my office yesterday at 10:30. When I got here, my secretary called me and said there was a man there with a subpoena, she thought. He asked for me, and he was out to my residence. So I immediately called the marshal's office here and asked him if there was a subpoena out for me and what it contained. They said they didn't have a copy of it. The server had it with him. I said, "Well, I will be at the Phillips Hotel or at my son's office here in Kansas City, and I will accept service on it." The only records that I brought were the State committee records.

Mr. EDLUND. I might say, I asked him to bring that because my subpoena said that.

Mr. HALLEY. The State committee records do not show the personal campaign of Governor Smith?

Mr. RAGLAND. No, sir; they do not.

Mr. HALLEY. Would it be possible for you to have somebody to bring those records here so that you could testify tomorrow morning about the personal campaign?

Mr. RAGLAND. I think I can get someone to get them up here probably by tomorrow afternoon. I don't know whether I could get them here in the morning or not. I will do my best.

Mr. HALLEY. The committee had hoped—

The CHAIRMAN. By 1:30?

Mr. RAGLAND. I am pretty sure I can.

Mr. HALLEY. Fine.

Mr. RAGLAND. I would have brought them if I had been subpoenaed.

Mr. HALLEY. Did you personally receive all campaign contributions for the primary?

Mr. RAGLAND. Yes, sir.

Mr. HALLEY. Those that were collected by other people were all turned over to you?

Mr. RAGLAND. I wouldn't say all that was collected by other people. All I received, I made a record of.

Mr. HALLEY. Did you make a record of the contributors?

Mr. RAGLAND. Yes, sir.

Mr. HALLEY. Did you deposit it in the bank?

Mr. RAGLAND. Yes, sir.

Mr. HALLEY. In what bank did you deposit it?

Mr. RAGLAND. Central Missouri Trust Co.

The CHAIRMAN. That is in Jefferson City?

Mr. RAGLAND. Yes, sir.

Mr. HALLEY. Your disbursements are all recorded?

Mr. RAGLAND. Yes, sir.

Mr. HALLEY. And those are the records you will have here tomorrow?

Mr. RAGLAND. Yes, sir.

Mr. HALLEY. Thank you.

The CHAIRMAN. Let me ask Mr. Ragland one or two questions.

Mr. Ragland, the matter of the Molasky gift came out. Apparently that money was taken by Mr. Hendren and then turned over to you, and apparently that is not recorded.

Mr. RAGLAND. That is right.

The CHAIRMAN. What took place in that matter? Did you record some and not record others?

Mr. RAGLAND. There was some money given me with instructions that this does not belong to the State committee, and for me to keep that separate until I was instructed to pay it out to someone, the same as we had the State Candidates' Club. That was money contributed by the CIO. Mr. Edlund received a letter that that was not to be used for the campaign of any Federal employee. I have the letter with me. So that money was put in the State candidates' file. He is the treasurer, and I received the money and disbursed it as assistant treasurer.

The CHAIRMAN. You mean you had a separate bank account for that?

Mr. RAGLAND. Yes, sir.

The CHAIRMAN. Let us follow this just a minute. Then you have a separate set of books for the funds received that were not to be put into the State campaign?

Mr. RAGLAND. Yes, sir.

The CHAIRMAN. You kept those books?

Mr. RAGLAND. It is just a sheet of paper.

The CHAIRMAN. Where is it?

Mr. RAGLAND. I have it here. I just kept it for my own protection.

The CHAIRMAN. May I see that, Mr. Ragland?

(Paper handed to the chairman.)

Mr. RAGLAND. That is a copy of it. I kept the original at home because I didn't want to lose it. That is an exact copy of it.

The CHAIRMAN. What happened to the special fund?

Mr. RAGLAND. If I may come around there—

The CHAIRMAN. Yes, sir, come around and show us. You can file this is an exhibit to your testimony?

Mr. RAGLAND. That is a copy; yes, sir. I just kept that so that I would be able to explain what I did with the money.

The CHAIRMAN. This will be made as exhibit No. 23 to your testimony.

(Exhibit No. 23 is on file with the committee.)

The CHAIRMAN. Now, show us what you did with the money.

Mr. RAGLAND. Here are the receipts on here. There is the amounts received.

The CHAIRMAN. Here is J. J. Price.

Mr. RAGLAND. That was a name used to identify that cash money. I didn't know where it came from.

The CHAIRMAN. You mean none of these names here mean anything?

Mr. RAGLAND. All do except J. J. Price.

The CHAIRMAN. Who gave you that \$5,000, do you know?

Mr. RAGLAND. It is hard for me to say who handed it to me. I think Mr. Hendren gave it to me.

The CHAIRMAN. You do not know where it came from?

Mr. RAGLAND. No, sir; I do not.

The CHAIRMAN. J. J. Price is just a fictitious name?

Mr. RAGLAND. That is right. It is a name I used.

The CHAIRMAN. All the rest of the names here except J. J. Price are real names?

Mr. RAGLAND. I think they are. I am reasonably sure they are. Some of them I know. I know this man Griffin, John Griffin; and John Nangle. John Nangle is the Democratic national committeeman. Of that amount, \$3,500 went into the banking account of the State committee.

The CHAIRMAN. Here is \$900, which went to what?

Mr. RAGLAND. That was \$900 from Mr. Nangle, and it went into the State committee.

The CHAIRMAN. These other things are other things that were spent?

Mr. RAGLAND. These are the pay-outs over here.

The CHAIRMAN. The biggest item here appears to be \$1,355.

Mr. RAGLAND. That is \$135.50.

The CHAIRMAN. \$135 for office expense, is that right?

Mr. RAGLAND. That is right.

The CHAIRMAN. Here is \$400 to John Hendren. Is that toward his expenses?

Mr. RAGLAND. Yes, sir.

The CHAIRMAN. How much was the amount that you paid out to him to help him with his expenses?

Mr. RAGLAND. On this amount here, let's see. Here is \$200, I believe, here, and you can run down the list there. John Hendren, what is that, \$100 or \$500?

The CHAIRMAN. Here is \$400. Here again is \$100.

Mr. RAGLAND. And then his name may appear there again. I am not sure.

The CHAIRMAN. This says, "Special fund, general election."

Mr. RAGLAND. Yes, sir.

The CHAIRMAN. This was not the general election, was it?

Mr. RAGLAND. Yes, sir.

The CHAIRMAN. I thought this was the primary.

Mr. RAGLAND. No, sir; that is the general election.

The CHAIRMAN. Is the original of this in a book?

Mr. RAGLAND. No; it is just like that.

The CHAIRMAN. On a sheet of paper just like this?

Mr. RAGLAND. Yes, sir.

The CHAIRMAN. This is an exact copy?

Mr. RAGLAND. Yes, sir.

The CHAIRMAN. Where is the \$2,000 from Molasky on here?

Mr. RAGLAND. Well, I don't know. It may be in that \$5,000.

The CHAIRMAN. That is one fund. Was this kept in a separate bank account?

Mr. RAGLAND. No, that wasn't in a bank account at all.

The CHAIRMAN. That was just cash you kept?

Mr. RAGLAND. Yes, sir.

The CHAIRMAN. Where did you keep it?

Mr. RAGLAND. Down at headquarters.

The CHAIRMAN. These payments out were in cash?

Mr. RAGLAND. Yes, sir.

The CHAIRMAN. Something has been said about \$1,700 being sent down to Jasper County.

Mr. RAGLAND. Yes.

The CHAIRMAN. Is that on here?

Mr. RAGLAND. Right here, sir [indicating].

The CHAIRMAN. That is listed under disbursement to Homer Miller.

Mr. RAGLAND. Yes, sir.

The CHAIRMAN. Mr. Ragland, not that we have any question about the authenticity of this, but in telling the other members of the committee about it, I would like to be able to tell them I have seen the original, if that is satisfactory.

Mr. RAGLAND. I will get the original.

The CHAIRMAN. All right, sir. That was one account that you had, a cash account for the Governor's race and the general election?

Mr. RAGLAND. That wasn't the Governor's. That was just the general election.

The CHAIRMAN. That was the general election, State election?

Mr. RAGLAND. Yes, sir; that was for all candidates.

The CHAIRMAN. National candidates, too?

Mr. RAGLAND. I assume that money was used for them. It is like the \$1,700 that went to Jasper County, that Homer Miller got. It went to the Jasper County committee.

The CHAIRMAN. Mr. Edlund, did you know about this account?

Mr. EDLUND. No, I didn't, until the Molasky deal came out, and I went down and checked these books.

The CHAIRMAN. That is the first you found out about it?

Mr. EDLUND. Yes, sir. I would like to bring you up to date on this committee deal.

The CHAIRMAN. Yes, sir. Go ahead.

Mr. EDLUND. I decided to leave everything to Jefferson City, and that is how the assistant treasurer came in, because I wouldn't have

time to keep all these records. I do think that you will find that we have some very fine records.

Mr. HALLEY. May we see the records you have brought?

Mr. EDLUND. Yes. Any money that came in, we have complete records going out. That is what you call a control record there.

Mr. HALLEY. Do you have any others you could turn over now, and then perhaps we can question from them?

Mr. RAGLAND. I will explain how I kept the State committee records.

Mr. HALLEY. First, the Molasky \$2,000 was in connection with the general election and not in connection with the primary, is that right?

Mr. RAGLAND. That is right. If that was in that \$5,000. I never heard of Molasky until it came out in the papers.

Mr. HALLEY. Just to make absolutely sure that we don't get confused between the two systems, the questions that I originally asked were about the primary, is that right?

Mr. RAGLAND. I don't—

Mr. HALLEY. Then you came up here and started talking to Senator Kefauver, and through all of that conversation you were talking about the general election?

Mr. RAGLAND. That is right, sir. That is all general, and has no connection with the primary. These records we have here, everything I have here was after the primary.

Mr. HALLEY. We are now talking about the general election?

Mr. RAGLAND. That is right, sir.

Mr. HALLEY. There was no special fund in the primary whatsoever?

Mr. RAGLAND. I had a special fund of some refund money that I will produce here tomorrow. There is, I think, about \$3,000 in that, some refund of money that we handled in cash.

Mr. EDLUND. How many accounts did we have?

Mr. RAGLAND. You mean as State treasurer?

Mr. EDLUND. We had the Democratic State committee account, No. 1. We had the candidates' account, No. 2, is that right?

Mr. RAGLAND. That is right.

Mr. EDLUND. You had this special fund deal right there, No. 3?

Mr. RAGLAND. That is right.

Mr. EDLUND. Did we have any other accounts at all besides those three?

Mr. RAGLAND. You mean for the general?

Mr. EDLUND. For the general election.

Mr. RAGLAND. No, absolutely not.

The CHAIRMAN. Let us get that straight again. Democratic State committee account. That is this [indicating]?

Mr. EDLUND. That is right.

The CHAIRMAN. Then the State Candidates' Club?

Mr. EDLUND. This will be cleared up right quick, if you would like to see it, and then we will go into that.

I set this up this way myself. There was about \$4,400 worth of checks from the CIO. Some of them were made payable to the Governor and some of them to the candidates. So when we got to checking and I found out the Governor had used his quota, I asked Jim Davis, the CIO man, was this money intended just for the Governor, or is it intended for the candidates, too.

The CHAIRMAN. What was the Governor's quota, by the way?

Mr. EDLUND. I don't know what that was.

Mr. RAGLAND. About \$14,000, something over \$14,000 for the Governor.

The CHAIRMAN. I know, but by law?

Mr. RAGLAND. About \$17,000.

The CHAIRMAN. All right.

Mr. EDLUND. So I asked him if he would give me a letter that we could use this for various candidates. There were a great number of checks. We needed the money for the campaign. We didn't want to give the checks back. He wrote me this letter.

The CHAIRMAN. Who is this?

Mr. EDLUND. Jim Davis, in the State CIO. He is State secretary.

The CHAIRMAN. Letter of October 26, 1948, to Mr. Edlund:

I enclose herewith various CIO local checks in the amount of \$3,002. You will note these checks are made payable, some to Forrest Smith and some to the Forrest Smith for Governor Committee. It is our intention that this money be used for Forrest Smith or State candidates only, as they see fit, in connection with their State campaign. Any other checks you may receive of a similar nature may also be used in this manner. Under no circumstances must these contributions be used to further the interest of any candidate for Federal office.

This is Missouri State Industrial Union Council, CIO.

Mr. EDLUND. The reason I asked for that letter is because I wanted a definite understanding where the money came from and what it was to be used for. There is our report that we filed on that.

Mr. HALLEY. That is a clearly identifiable donation, but I notice here on your Democratic State committee work papers, most of the contributions are just called donations, unidentified.

Mr. RAGLAND. I will explain my system. On all money received that went in the State committee I issued a receipt. I used a duplicate receipt book. You will notice in the first column there, or the second column, you notice the heading there. It says "Receipt No."

Mr. HALLEY. Yes.

Mr. RAGLAND. All right. Any receipt number, if you call the number, I can show you who I gave the receipt to.

Mr. HALLEY. Receipt No. 1190-1206.

Mr. EDLUND. They go only to 1800.

Mr. HALLEY. This is 1190-1206.

Mr. RAGLAND. That is 2 or 3 receipts in there, you see. What is the first number?

Mr. HALLEY. 1190-1206.

Mr. EDLUND. 1190 is from Charles R. Sands, Raleigh, Mo., a \$10 contribution.

Mr. HALLEY. I see the system. What you did was keep duplicates of the receipts, and then you bunched them?

Mr. RAGLAND. On my control, it isn't necessary to write every receipt, to enter every receipt on your control record, because it would just be a duplication.

Mr. HALLEY. According to this control record, the total amount for your State committee would be \$59,675.53, is that correct?

Mr. RAGLAND. That is correct.

Mr. HALLEY. Would that include the special fund that Senator Kefauver was looking at?

Mr. RAGLAND. Yes.

Mr. HALLEY. There is more than \$3,500 in the special fund?

Mr. RAGLAND. The amount that was transferred to the bank account is included.

Mr. HALLEY. In addition to that, you have certain other funds that you did not record?

Mr. RAGLAND. That is right, sir.

Mr. EDLUND. Take \$3,500 off, there would be about \$7,000, besides this here.

Mr. HALLEY. As you both know, this committee has had numerous newspaper reports and other reports brought to its attention, charging that there were very large contributions made to Governor Smith's campaign by groups of gamblers or by Charles Binaggio or others. The sum that has been mentioned frequently is \$100,000. Do either of you—I think perhaps, for the record, you had better answer separately—do either of you have any knowledge of any contribution made by or through Charles Binaggio? Do you, Mr. Edlund?

Mr. EDLUND. No, sir.

Mr. HALLEY. Do you, Mr. Ragland?

Mr. RAGLAND. No, sir.

Mr. HALLEY. Do either of you have any knowledge of any single contribution to the State committee made by any gambler? Do you, Mr. Edlund?

Mr. EDLUND. None that I know of.

Mr. RAGLAND. No, I don't know of any.

Mr. HALLEY. Aside from the Democratic State committee, is it possible that in some way, through some channel, contributions were made by Charles Binaggio or other gamblers to the campaign of Governor Smith?

Mr. RAGLAND. Not to my knowledge.

Mr. EDLUND. Not to my knowledge, either.

Mr. HALLEY. You neither know of it nor can think of any way in which it might have been done?

The CHAIRMAN. I think we should point out at this point, here in Kansas City, for instance, you had your own local organization of which Mr. Milligan was the chairman.

Mr. EDLUND. Yes.

The CHAIRMAN. What record or control did you have—

Mr. EDLUND. Right here, all I know about—

The CHAIRMAN. But just a minute, now. Suppose somebody here in Kansas City wanted to give Mr. Milligan some funds for spending here in Kansas City, would you have any record or control of that?

Mr. EDLUND. The only records I have got is the money that was turned over to me. That is the only knowledge I have. I do have records of all that. I do think that Mr. Ragland has a very fine record there, of money that we have received.

The CHAIRMAN. Yes, this looks like a well-kept record; I will say that very frankly.

Mr. EDLUND. I would like to make another statement. That record will show that we started with about \$900 and some. As I remember, we had about \$1,000 worth of bills.

We have maintained a fine headquarters in Jefferson City for the past 2 years. We have paid a secretary \$500 a month and expenses. We have paid \$200 a month for our headquarters. We have a girl who works down there keeping all records of various types, at \$190 a month. And we now have over \$30,000 in the bank to the credit of the Democratic State committee. I would say 90 percent of that

money was gotten this way: by \$5 contributions [passing card to the chairman].

The CHAIRMAN. Mr. Edlund has handed the chairman an attractive blue, white, and silver card. Is this a picture of the State capitol?

Mr. EDLUND. Yes, sir.

The CHAIRMAN. It says:

Member, Democratic State Club of Missouri, 1949, issued to Col. Ray Edlund.  
R. A. Edlund, treasurer. John H. Hendren, committee chairman.

It has a little seal down on the left side, the State seal. That is \$5 membership?

Mr. EDLUND. Yes, sir.

The CHAIRMAN. That is the way you raised most of the money?

Mr. EDLUND. I would say 90 percent.

Mr. RAGLAND. That is the money raised after the last general election.

Mr. EDLUND. It is not this money here.

The CHAIRMAN. Since the general election. Mr. Edlund was talking about paying a secretary \$500 a month, and having \$30,000 in the bank. That is the way you have raised the most of it?

Mr. EDLUND. We are very proud of it, for the simple reason that you hear of a lot of bad things. That is one thing we are proud of.

The CHAIRMAN. Why have you not all gotten out and told the people the other side of the picture?

Mr. EDLUND. What I mean is, I wanted to put that forth here, because I think that card is the proper way to collect and solicit funds for a political program.

The CHAIRMAN. You are not paid anything for acting as treasurer?

Mr. EDLUND. No, sir.

The CHAIRMAN. Have you ever held public office?

Mr. EDLUND. I have.

The CHAIRMAN. What did you hold?

Mr. EDLUND. I was chairman of the election board for 8 or 9 months.

The CHAIRMAN. In this county?

Mr. EDLUND. Yes, sir. Just recently resigned.

The CHAIRMAN. That is not a paid office, is it?

Mr. EDLUND. Yes, sir.

The CHAIRMAN. What did it pay?

Mr. EDLUND. It paid \$300 a month.

The CHAIRMAN. Let me ask, Mr. Edlund—let us go on before I get into that—is there anything else about the records?

Mr. HALLEY. No; except that I would prefer having them left here for the committee's investigators to look at.

The CHAIRMAN. What is the situation about that? Here you have an original letter. We will return it to you, or would you rather we have it photostated? What do you want done with it?

Mr. EDLUND. Those are our records, and they are in good hands as far as I am concerned.

The CHAIRMAN. This letter and the report of the State Democratic club of Jefferson City will be made exhibit No. 24 to Mr. Edlund's testimony.

(Exhibit No. 24 was returned to the witness after analysis by the committee.)

The CHAIRMAN. These records and the receipt stubs that you have here, we will keep under lock and go over them, and then return them to you.

Mr. HALLEY. You put them all together.

The CHAIRMAN. What else do you have in that box, Mr. Ragland?

Mr. RAGLAND. I want to explain to you. Off the receipt I made a card for each contributor, and the same information is on the card as is on the receipt. I will pull one out here, any one of them. If you will notice there, there is the date and the receipt number.

The CHAIRMAN. That is "1948-49, 9/24, R-1042." What is R-1042?"?

Mr. RAGLAND. The receipt number.

The CHAIRMAN. You have a "50" with a red circle around it.

Mr. RAGLAND. They are all circled, because I changed my system. I thought I was going to carry it all under the same system, and I found there was too much detail, so I had a triplicate receipt book made. I gave the original to the contributor, the duplicate serves instead of the card, and the triplicate stays in the bound book. It just saved the trouble of writing the card each time.

The CHAIRMAN. How are they listed and filed in your index?

Mr. RAGLAND. In the front part it is by departments, employees, as near as I could identify them with any particular department.

Then behind is alphabetical index of individuals who were not connected with the State. You might find some back there that were connected with the State, but I didn't know they were State employees.

You will find a receipt for every amount shown on the report on the control record, and you will find a card that corresponds to the receipt.

Mr. HALLEY. So on this card where it says, "Newberry, Carl R. (PSC)," is that Public Service Commission?

Mr. RAGLAND. He is an employee of the Public Service Commission.

The CHAIRMAN. Let us return that card to Mr. Ragland. Does that mean they are contributing to the Democratic State committee?

Mr. RAGLAND. Yes. To familiarize you with the system, look at receipt No. 1042. The reason I circled all these, it was at the end of my report. I thought I would use the same system for the coming year, so that I would know that anything below that circle was new business.

Mr. EDLUND. This doesn't jibe here. It says \$407.75.

Mr. RAGLAND. All right. Let me have the control record here. What is the date on that?

Mr. EDLUND. September 25.

Mr. RAGLAND. Receipt No. 1042.

Mr. EDLUND. \$407.75 there.

Mr. RAGLAND. All right. That is broken down. You can go through there and pick out enough of those receipts to make this total amount of money, you see.

Mr. EDLUND. Yes.

Mr. RAGLAND. In other words, I issued one receipt to McClinic.

Mr. EDLUND. You collected from various fellows in that department?

Mr. RAGLAND. But that is broken down for individuals.

Mr. EDLUND. I see.

(Discussion off the record.)

The CHAIRMAN. Back on the record.

Mr. Edlund, you have lived here in Kansas City a long time?

Mr. EDLUND. All my life.

The CHAIRMAN. What happened when Binaggio came into power here in the gambling world and exerted a great deal of influence in the Democratic Party? Do you know what he tried to do in connection with exerting his influence with the police department and the police commissioners? What do you know about it?

Mr. EDLUND. I know nothing about the police department at all. I have known Charley Binaggio ever since he was a very young boy. I knew him because he did business with the bank. His rise in political power around here I attributed to one reason, and one reason only, and that is that he thought politics, he worked politics 24 hours a day, and nobody else around here paid much attention to it. All of a sudden, I don't know why, he rose to power.

The CHAIRMAN. Was there a general feeling in the administration that Binaggio had risen to power and he delivered the votes, and he ought to have his way here in Kansas City politically in the matter of patronage?

Mr. EDLUND. I don't believe that was generally felt, no. I have just been in politics the last few years. There was so much jealousy and everything else. He had power to deliver votes, yes, but I don't believe that the feeling there was that he should have too much power. I don't believe he did.

The CHAIRMAN. Was the thought around here that the town was going to open up because Smith got elected and Binaggio was the big wheel here in Kansas City?

Mr. EDLUND. Maybe some of them did, yes. I couldn't answer that, because I have never had anything to do with gambling, either as a player or as a person providing places to play, so I don't pay much attention to it.

The CHAIRMAN. As to Mr. Milligan and Mr. Farrell, was it thought they would use their influence toward opening up the city when they were appointed?

Mr. EDLUND. I never heard anything like that.

The CHAIRMAN. You have seen it in the papers?

Mr. EDLUND. I mean in direct conversation I never heard it.

The CHAIRMAN. What was the feeling about it when they were appointed?

Mr. EDLUND. The general feeling by the public, I think, was that the place was going to be open.

The CHAIRMAN. That it was going to be opened up?

Mr. EDLUND. That was the general public thought, and the newspapers printed purchases of buildings.

The CHAIRMAN. Why was that the general public thought?

Mr. EDLUND. It was opinion. One opinion is as good as another.

The CHAIRMAN. What was your opinion?

Mr. EDLUND. My opinion was that he had enough power to do it, I guess.

The CHAIRMAN. Do you know anything about the power he tried to exert, how near he came to it?

Mr. EDLUND. No. I don't know anything about that.

The CHAIRMAN. He did not mind using any power he had, I take it?

Mr. EDLUND. It is hard for me to sit here and defend a man when

the newspapers and everybody has written about him as a leading gangster. I knew him a little different. I didn't know him as a gambler and all that. I knew him as a customer of the bank and a man who worked hard in politics.

It later turned out that he was involved. I am not going to say I didn't know he was involved in some gambling, because I did. But nothing to the extent that it turned out.

The CHAIRMAN. Mr. Ragland, when he came to Jefferson City did he come into your office?

Mr. RAGLAND. I don't believe I ever saw Charley Binaggio over three times in my life. The first time I ever recall seeing him was when President Truman was Vice President and made a speech at Jefferson City. It was either there or the State convention. I know it was over at the high school.

Then I saw him in Jefferson City one time in the Governor Hotel. I never saw him in the headquarters that we had for Governor Smith. I never saw him in the Democratic State headquarters. I never saw him in the capitol. I was never even introduced to the man.

The CHAIRMAN. Did he bring you any of these checks or any cash money that is listed here?

Mr. RAGLAND. No, sir.

The CHAIRMAN. Did he convey it from someone else, but he brought it in?

Mr. RAGLAND. No. The way I entered the money, if anyone brought money and said, "Credit this to John Doe," that is who I wrote the receipt to. I never recall anyone giving me any money and saying "This is from Binaggio."

The CHAIRMAN. What I was asking about was, suppose John Doe here in Kansas City had written a check to the State Democratic committee and had given it to Binaggio to take over there. Did you ever see him convey or bring you checks or money from someone else?

Mr. RAGLAND. No, sir; I never even saw him in the headquarters.

The CHAIRMAN. I mean outside the headquarters.

Mr. RAGLAND. No, sir; I never saw him. I don't believe I ever spoke to the man in my life. I am positive I was never introduced to him.

The CHAIRMAN. Are there any other points about this that either of you gentlemen feel should be brought out here?

Mr. EDLUND. I would like to ask you, Senator, do you think we have tried to keep our records in pretty good shape? That is what I am interested in.

The CHAIRMAN. I want to say frankly, you have very complete records.

Mr. EDLUND. We have tried to do the job. I did very little of it. Mr. Ragland is the one responsible for it.

The CHAIRMAN. I do not know what is in the record, but you seem to have a good system, you seem to have a full and voluminous record.

Mr. RAGLAND. I will be glad to go through any of the records that you or your auditors might want to go through with us. It might be a little bit messy.

Mr. EDLUND. He and I will both be glad to go over this with your agent or anybody else you designate.

The CHAIRMAN. Mr. White will be here for some time, and, if there is any explanation, he will get in touch with you.

Mr. RAGLAND. I will be glad to explain any entry there.

The CHAIRMAN. What is it you are going to bring back tomorrow?

Mr. RAGLAND. All of the money that was handled for the Forrest Smith primary and the general election.

The CHAIRMAN. I believe that is all. May we keep these? Whose bag is that?

Mr. RAGLAND. That is mine.

The CHAIRMAN. Do you want to take that back with you now?

Mr. RAGLAND. You can keep them as long as you want.

Mr. EDLUND. They are in good hands. My God, this is all we have.

The CHAIRMAN. We will be very careful with them.

Mr. RAGLAND. I wouldn't want them to disappear.

Mr. HALLEY. Senator Kefauver had in mind, if we kept them in a bag, it is more easy to keep them intact, if you can spare the bag for a few days.

The CHAIRMAN. Thank you very much, gentlemen.

Mr. RAGLAND. Would it be possible for me to appear here at 1:30?

The CHAIRMAN. Yes; that is all right.

Mr. RAGLAND. Would you care to see the current records of the Democratic State Committee?

The CHAIRMAN. No; we have no interest in that.

(Witnesses excused.)

The CHAIRMAN. Call in Mr. Noonan.

Mr. Noonan, will you hold up your hand. Do you solemnly swear the testimony you will give this committee will be the whole truth and nothing but the truth, so help you God?

Mr. NOONAN. I do.

The CHAIRMAN. Have a seat, sir.

#### TESTIMONY OF JOHN K. NOONAN, KANSAS CITY, MO.

Mr. HALLEY. What is your full name?

Mr. NOONAN. John K. Noonan.

Mr. HALLEY. And where do you reside?

Mr. NOONAN. My residence is 321 Benton Boulevard, Kansas City.

Mr. HALLEY. Do you also have an apartment at Jefferson City?

Mr. NOONAN. I do; yes, sir.

Mr. HALLEY. Where is that?

Mr. NOONAN. That is at 410 East High Street.

Mr. HALLEY. Do you have that apartment alone or do you share it with somebody?

Mr. NOONAN. I share it.

Mr. HALLEY. With a Mr. Jones?

Mr. NOONAN. I did share it last year with Jones. Now I am sharing it with another party.

Mr. HALLEY. What is Jones' full name?

Mr. NOONAN. George S. Jones.

Mr. HALLEY. George S. Jones.

Mr. NOONAN. Yes.

Mr. HALLEY. Who do you share it with now?

Mr. NOONAN. There is a fellow named Markowitz coming in there now. In fact, there are going to be two of them down there with me.

Mr. HALLEY. Do you know Robert Cohn, a member of the Board of Police Commissioners of Kansas City?

Mr. NOONAN. Yes.

Mr. HALLEY. Did you know Hampton Chambers of the same board?

Mr. NOONAN. I knew of him. I didn't know Hampton Chambers personally.

Mr. HALLEY. Did you know Mr. Milligan on that board?

Mr. NOONAN. Yes, sir.

Mr. HALLEY. During the period shortly after Governor Smith's election and his assumption of office in the early part of 1949 did you have any conversations with any of the members of the Board of Police Commissioners of Kansas City?

Mr. NOONAN. Yes, sir. I would say I have had conversations on several occasions with Milligan, Farrell, and some with Cohn.

Mr. HALLEY. Did Cohn on one occasion go to your apartment in Jefferson City with Milligan?

Mr. NOONAN. He may have. Milligan did on several occasions. I don't recall Cohn being there. He would. I met him in Jefferson City. He met him on several occasions there.

Mr. HALLEY. Did you ever meet Cohn at the Phillips Hotel?

Mr. NOONAN. At the Phillips Hotel here in Kansas City; yes.

Mr. HALLEY. Did you ever discuss with Cohn the problems of the board of police commissioners?

Mr. NOONAN. Well, I discussed patronage with him. Farrell and Milligan, you know, where the only two appointments by the Governor, and Cohn and the rest of them were hold-over appointments. I asked him if he would work with those men on the patronage. There were a lot of hold-over police on there.

Mr. HALLEY. For whom were you talking?

Mr. NOONAN. For whom was I talking?

Mr. HALLEY. Yes. What was your status in the picture?

Mr. NOONAN. My status was for the Democrats.

Mr. HALLEY. Are you an official of the Democratic Party?

Mr. NOONAN. No, sir.

Mr. HALLEY. Do you hold any State office?

Mr. NOONAN. No, sir.

Mr. HALLEY. You were really talking for yourself, then?

Mr. NOONAN. I have been very active in Democratic politics for years here in the State of Missouri.

Mr. HALLEY. Had you had any discussions of the matter with Charlie Binaggio?

Mr. NOONAN. About the patronage?

Mr. HALLEY. About the police commission.

Mr. NOONAN. No; I don't believe I had.

Mr. HALLEY. None whatsoever about the patronage?

Mr. NOONAN. I have talked to Charlie about patronage a lot of times. I met with him in Jefferson City and more than likely tried to help him get the patronage. I didn't name any—I don't believe I ever appeared in Kansas City and tried to name any certain individuals. I talked concerning several people who had been on there for several years who didn't belong to the party and should be taken off.

Mr. HALLEY. Binaggio wanted to get rid of the chief of police, didn't he, Chief Johnson?

Mr. NOONAN. Binaggio wanted to get rid of the chief of police. I was very much in favor of that.

Mr. HALLEY. Did you talk to Binaggio about that?

Mr. NOONAN. I more than likely did.

Mr. HALLEY. Did you talk to Milligan about it?

Mr. NOONAN. Yes.

Mr. HALLEY. Did you and Binaggio together talk to Milligan about it?

Mr. NOONAN. I doubt it.

Mr. HALLEY. You talked to Milligan, though?

Mr. NOONAN. I did; yes, sir.

Mr. HALLEY. Where did you talk to Milligan about it?

Mr. NOONAN. I don't know; on several occasions more than likely because I didn't think the man in there was entitled to be held in there.

Mr. HALLEY. For political reasons?

Mr. NOONAN. Yes, sir.

Mr. HALLEY. Having nothing to do with the ability or lack of ability?

Mr. NOONAN. No, sir. I always felt to the victor belongs the spoils, and he certainly wasn't supposed to be held over there under a Democratic administration.

Mr. HALLEY. What was Milligan's view on that matter?

Mr. NOONAN. I don't know.

Mr. HALLEY. You say you talked to him. What did he have to say about it?

Mr. NOONAN. He didn't seem—whether he wanted to or not. He didn't make any effort to remove him.

Mr. HALLEY. Didn't he have a candidate of his own?

Mr. NOONAN. Not that I know of.

Mr. HALLEY. A man named Braun?

Mr. NOONAN. No, sir. That wasn't Milligan's candidate.

Mr. HALLEY. Whose candidate was Braun?

Mr. NOONAN. I don't know. I imagine Charlie Binaggio was the fellow trying to put Braun in. Milligan very emphatically told me he would never appoint Braun.

Mr. HALLEY. Did Charlie Binaggio ever talk to you about Braun?

Mr. NOONAN. Yes; he asked me if I knew Braun, which I didn't.

Mr. HALLEY. Did he say he wanted to get Braun appointed?

Mr. NOONAN. He told me he would like to have Braun appointed chief of police and I asked Milligan and Milligan told me he would never appoint him. I dropped it.

Mr. HALLEY. Did Charlie Binaggio also ask you to intercede with reference to certain other officials of the police department such as the chief of detectives?

Mr. NOONAN. No. Did he ask me to intercede with them?

Mr. HALLEY. Not with them but about the replacement of them with other people.

Mr. NOONAN. No; I believe that was the only man that he mentioned, the one named Braun. I don't believe he mentioned any other names for that office.

Mr. HALLEY. Did you ever have a meeting with Charlie Binaggio and Cohn, Robert Cohn, at the Phillips Hotel?

Mr. NOONAN. Yes.

Mr. HALLEY. That was in a suite of rooms that was being paid for by Spitz, wasn't it?

Mr. NOONAN. I couldn't tell you who was paying for the rooms.

Mr. HALLEY. Wasn't there a police committee of the Binaggio Club, the Fifteenth Street Club?

Mr. NOONAN. There may have been. The truth of the matter is I don't know anything about the political organization here in Kansas City because I had no part in that at all. Binaggio was the head of the organization and naturally he being active in the campaign I dealt with the head of the organization.

Mr. HALLEY. You know Eddie Spitz, don't you?

Mr. NOONAN. Yes; I have known him for years.

Mr. HALLEY. You were at the Hotel Phillips for this meeting with Binaggio and Cohn, is that right?

Mr. NOONAN. I was at a meeting with Binaggio. I was at a meeting with Cohn and Binaggio came in.

Mr. HALLEY. Was that Spitz' room you were in?

Mr. NOONAN. I couldn't tell you.

Mr. HALLEY. Was it your room?

Mr. NOONAN. It may have been. I have had a room over there. I guess Spitz had rooms.

Mr. HALLEY. It might have been either of you?

Mr. NOONAN. Yes.

Mr. HALLEY. What happened at that conversation? Will you discuss the conversation?

Mr. NOONAN. No; I couldn't tell you the exact conversation. Mr. Halley, my conversation with him altogether was patronage. On the police department they have an awful lot of civilian employees, and I believe that I was talking to Cohn to ask him to release those civilian employees to the Kansas City organization.

Mr. HALLEY. You called Cohn first on the telephone and asked him to come up; is that right?

Mr. NOONAN. That is right.

Mr. HALLEY. He came to your suite?

Mr. NOONAN. That is right.

Mr. HALLEY. And then Binaggio joined him?

Mr. NOONAN. That is right.

Mr. HALLEY. You had certain records of the civilian personnel; is that right?

Mr. NOONAN. No.

Mr. HALLEY. You had the information about them?

Mr. NOONAN. Information, yes.

Mr. HALLEY. Where did you get that information?

Mr. NOONAN. That is common knowledge, you know. I did not have the names or anything.

Mr. HALEY. Who gave you the names, the common knowledge.

Mr. NOONAN. There are 40 or 50 civilians employed by the police department. I know that.

Mr. HALLEY. Who told you the particular people that you wanted to get rid of?

Mr. NOONAN. I didn't have any particular people in mind. I wanted the civilian personnel turned over to the Kansas City organization.

Mr. HALLEY. Who did you mean by the Kansas City organization, Binaggio?

Mr. NOONAN. Binaggio was one of them.

The CHAIRMAN. He was the head of it. In your mind he was the head of the Kansas City organization?

Mr. NOONAN. Senator, he was the head of a certain district in Kansas City. You see, Shannon has another organization out farther south. They were all active in the Smith campaign.

Mr. HALLEY. On that occasion did you discuss the post held by Captain Tovener, the head of the license and inspection department?

Mr. NOONAN. Did I?

Mr. HALLEY. You and Binaggio and Cohn.

Mr. NOONAN. I don't remember whether I did or not, but I recall that on one or two occasions I said that he had been on there so long I thought he should be retired and a younger man put in the place. I made no recommendations as to who the individual should be.

Mr. HALLEY. Did you also discuss with Binaggio and Cohn the removal of Gene Bund, director of personnel?

Mr. NOONAN. Who?

Mr. HALLEY. Bund.

Mr. NOONAN. I don't believe I did.

Mr. HALLEY. How about Lieutenant Dennison, who is head of the vice squad?

Mr. NOONAN. I don't think so. Mr. Halley, it was in more a general way than individuals. I believe the only two individuals would be Mr. Tovener and Mr. Johnson, the one you asked about first.

Mr. HALLEY. How about Lieutenant Dennison, of the vice squad?

Mr. NOONAN. I don't know Lieutenant Dennison. I know very few of the personnel of the police department.

Mr. HALLEY. How about Kircher?

Mr. NOONAN. I don't know him.

Mr. HALLEY. Lester Kircher, in command of the downtown districts?

Mr. NOONAN. I don't know him.

Mr. HALLEY. Wasn't Binaggio anxious to get rid of him too?

Mr. NOONAN. He may have been. He didn't discuss it with me.

Mr. HALLEY. In any event, the discussion with Cohn was to try to get him to go along?

Mr. NOONAN. How was that? Was to try to get him to go along?

Mr. HALLEY. Yes; on patronage.

Mr. NOONAN. Yes.

Mr. HALLEY. Didn't he point out that these jobs under the law were nonpolitical?

Mr. NOONAN. He pointed it out—I forget exactly what it was. He told me I believe, if I remember right, that the personnel of the police department you couldn't fire them without preferring charges and you couldn't bring men from the outside and put them in the upper brackets. I believe he told me that the civilian personnel was non-political. I believe he told me that. I know I didn't make any headway with him. They were still all there.

Mr. HALLEY. Did you suggest to Cohn that he should talk to Governor Smith about the subject?

Mr. NOONAN. Did I suggest to Cohn that he talk to Governor Smith? I don't recall that. I wouldn't deny that. I may have. I wouldn't hesitate to have done it.

Mr. HALLEY. Cohn wasn't very receptive to this conversation?

Mr. NOONAN. That is right, he wasn't.

Mr. HALLEY. Did the subject of his talking to Governor Smith come up?

Mr. NOONAN. If it did, I don't recall it, but I will say I wouldn't have hesitated because as I say I thought the job belonged to the Smith people.

Mr. HALLEY. You wouldn't deny that if Cohn says that it was suggested he should talk to Governor Smith, you would not deny it?

Mr. NOONAN. No; I wouldn't deny it because I wouldn't hesitate to do it.

Mr. HALLEY. Did you ever tell Cohn that you represented the Governor or were acting for him?

Mr. NOONAN. In regard to the police department?

Mr. HALLEY. In regard to political matters.

Mr. NOONAN. No; I didn't tell Cohn, I don't think, that I ever represented the Governor because I didn't represent the Governor.

Mr. HALLEY. Did you say that you were a trouble shooter for the Governor?

Mr. NOONAN. No, sir.

Mr. HALLEY. You never used that phrase?

Mr. NOONAN. The Kansas City Star said that. I read it in the paper.

Mr. HALLEY. You never used that expression?

Mr. NOONAN. No.

Mr. HALLEY. When you talked with Milligan, did Milligan take the same attitude that Cohn did?

Mr. NOONAN. Well, he did on the chief of police. That is, he did as far as that one individual was concerned.

Mr. HALLEY. You mean Braun?

Mr. NOONAN. Yes. He said, "No I will never appoint Braun."

Mr. HALLEY. But he wanted to change the chief of police, didn't he?

Mr. NOONAN. He didn't say he wanted to. He told me he would not do that. I told him that I thought as long as the Smith people had won the election we should have the job.

Mr. HALLEY. Did he agree with that?

Mr. NOONAN. I don't know whether he agreed with it or not.

Mr. HALLEY. What position did Milligan take?

Mr. NOONAN. He didn't seem to take very much of a position at all. As I said, we didn't do any good on it. We never changed any of them.

Mr. HALLEY. How about Chambers? Did you talk to him?

Mr. NOONAN. I never talked to him. I might say I met Chambers here this morning.

Mr. HALLEY. You never talked to him about the matter?

Mr. NOONAN. That was the first time I even met Chambers.

Mr. HALLEY. Did you take any part in the situation in St. Louis?

Mr. NOONAN. Yes. I was active all over the State in every town.

Mr. HALLEY. Did you ever take any action with respect to the police department in St. Louis?

Mr. NOONAN. Yes. I talked to the commissioners up there along the same line on patronage. The ward leaders up there were expecting some changes. I was informed that the old chief of police in St. Louis was a Democrat and that there were a lot of other jobs in the department that were not, and I thought those commissioners should accept

their list and demote and promote to help those people out who helped us out.

Mr. HALLEY. Did you ever talk to Roy McKittrick about the St. Louis situation?

Mr. NOONAN. About the police department?

Mr. HALLEY. Yes. Did you talk to him about any patronage?

Mr. NOONAN. I have talked to him many a time and met him at hotels and everything. I don't recall talking about any patronage.

Mr. HALLEY. In what other departments did you take an interest besides the police department on this patronage question?

Mr. NOONAN. Nearly every department in the State.

Mr. HALLEY. Who did you talk to about what other departments?

Mr. NOONAN. I talked to the secretary of the State, Toberman, a friend of mine from Cole County. I tried to get him appointed chief clerk, and did. You know, patronage like that scattered out over the State.

Mr. HALLEY. What is your business?

Mr. NOONAN. I am an engineer, in construction work. I represent the Aetna Bonding & Casualty Co. in Kansas City, and have for 12 years.

Mr. HALLEY. Besides representing the Aetna Bonding Co. do you have any other business?

Mr. NOONAN. I do a little construction work.

Mr. HALLEY. Where do you do that?

Mr. NOONAN. I have lately been doing it right around Jefferson City.

Mr. HALLEY. Under what name do you operate?

Mr. NOONAN. Just under my own name. I have a fellow named Strausse in the last year and a half in there with me. We haven't done anything big. It is small work.

Mr. HALLEY. Did you collect any funds for the campaign in 1948?

Mr. NOONAN. I didn't solicit any funds. The small money that came into the headquarters at our hotel, which I turned over.

Mr. HALLEY. Did you work at the headquarters?

Mr. NOONAN. Just in and out. I was out of the State most of the time. I was out of the State quite a bit. When I was here I would stay around the headquarters when I was in Kansas City.

Mr. HALLEY. What was your function in the 1948 campaign?

Mr. NOONAN. I was just out politically for Smith. Would you say I was an organizer?

Mr. HALLEY. You mean you would go around and talk to people?

Mr. NOONAN. Yes; all over.

Mr. HALLEY. Would you talk to leaders or to voters?

Mr. NOONAN. No, to leaders. You know what I mean. In fact, I have been very active, Mr. Halley, since 1920.

Mr. HALLEY. You did that all over the State?

Mr. NOONAN. Yes. I have since 1920 when I was chairman of the State committee. I went out and was State organizer.

Mr. HALLEY. Did you pay your own expenses?

Mr. NOONAN. Some of them, very little of them. The organizations paid me.

Mr. HALLEY. Which organizations contributed to your expense during the campaign?

Mr. NOONAN. The Democratic organizations here in Kansas City; that is, they paid the expenses.

Mr. HALLEY. Did the Democratic State committee pay your expenses?

Mr. NOONAN. No.

Mr. HALLEY. What organization did?

Mr. NOONAN. The Binaggio organization did, and some of the St. Louis people did up there in St. Louis.

Mr. HALLEY. How much money did you receive from the Binaggio club?

Mr. NOONAN. Personally I didn't receive any money.

Mr. HALLEY. I mean for expense money.

Mr. NOONAN. You mean for expenses paid out?

Mr. HALLEY. Yes.

Mr. NOONAN. I haven't the least idea.

Mr. HALLEY. Would it be over a thousand dollars?

Mr. NOONAN. Oh, yes.

Mr. HALLEY. Over ten thousand?

Mr. NOONAN. Oh, no.

Mr. HALLEY. Over five thousand dollars? We are just trying to get some idea.

Mr. NOONAN. I know you are. I am trying to be as fair as I can. Here is the idea. I would go to St. Louis maybe and meet quite a few of those ward leaders up there and talk to them. Maybe I would be in the hotel today, maybe 3 or 4 days. Maybe the next time I would go up I would be there a week. They would pay the hotel bill.

Mr. HALLEY. Mr. Binaggio's club?

Mr. NOONAN. Yes.

Mr. HALLEY. Did any other club pay your hotel bills?

Mr. NOONAN. No.

Mr. HALLEY. You were then pretty much operating right out of Binaggio's club, is that right?

Mr. NOONAN. Well, those special trips I made for them, yes.

Mr. HALLEY. Did you make special trips for anyone else?

Mr. NOONAN. For myself, yes.

Mr. HALLEY. How many did you make on your own account?

Mr. NOONAN. I made several of them, quite a few.

Mr. HALLEY. You made quite a few for the Binaggio club?

Mr. NOONAN. Yes, I made several for them, too.

Mr. HALLEY. Were you ever arrested?

Mr. NOONAN. What do you mean arrested?

Mr. HALLEY. By a policeman.

Mr. NOONAN. I was indicted one time, is that arrested?

Mr. HALLEY. I presume so.

Mr. NOONAN. Yes, about 1930.

Mr. HALLEY. Was Binaggio involved in that same matter?

Mr. NOONAN. Yes.

Mr. HALLEY. What was that, will you tell the committee?

Mr. NOONAN. I was manager of the Kansas City Airport at that time and there was a raid out here in the county on the place one night by the Government, and I was in there and they took us all out. They indicted some 40 of us.

Mr. HALLEY. Was it a prohibition indictment?

Mr. NOONAN. Prohibition indictment; yes.

Mr. HALLEY. They indicted you and Binaggio and others?

Mr. NOONAN. Forty-some of us.

Mr. HALLEY. Were you convicted?

Mr. NOONAN. No.

Mr. HALLEY. What disposition was made of the case?

Mr. NOONAN. I am not positive now. Judge Otis dismissed the case. I know he dismissed it. I am sure it was Judge Otis.

Mr. HALLEY. Did you collect any money for any political campaign whatsoever in 1948?

Mr. NOONAN. Did I collect any money for any political campaign? As I say, I didn't go out and solicit any money for it, but different people came in around headquarters and would leave checks.

Mr. HALLEY. Did you receive money?

Mr. NOONAN. Checks, yes; moneys.

Mr. HALLEY. Would you name the people from whom you received moneys for any political campaign in 1948?

Mr. NOONAN. No; I couldn't tell you.

Mr. HALLEY. Did you receive cash as well as checks?

Mr. NOONAN. I received one, \$500.

Mr. HALLEY. From whom was that?

Mr. NOONAN. That was from a fellow named Tralle in Kansas City.

Mr. HALLEY. What?

Mr. NOONAN. Tralle.

Mr. HALLEY. Would you spell that?

Mr. NOONAN. T-r-a-l-l-e, I believe.

Mr. HALLEY. Do you know his first name?

Mr. NOONAN. No.

Mr. HALLEY. In what business was he?

Mr. NOONAN. He is dead.

Mr. HALLEY. What business was he in?

Mr. NOONAN. I don't know. Since the grand jury was called, I think he was tied up with the people in the policy games.

Mr. HALLEY. He was in one of those?

Mr. NOONAN. I heard he was. I don't know.

Mr. HALLEY. Do you know of any contribution to any of the campaign funds in 1948 or to any of the candidates made by any one in the gambling business?

Mr. NOONAN. Do I know of any campaign funds that were given to any of the State candidates?

Mr. HALLEY. Or to any of the campaign committees or funds by anybody in the gambling business besides the one you have just mentioned.

Mr. NOONAN. No; I don't believe I do. Are you talking about the primary or the election?

Mr. HALLEY. Either.

Mr. NOONAN. Either. I don't believe I do. I don't remember. You see, I wasn't around handling finances. Money wasn't turned over to me to turn in. I wasn't present when they were collecting money.

Mr. HALLEY. Do you know Tony Gizzo?

Mr. NOONAN. I know of him. I know him when I see him.

Mr. HALLEY. Have you ever met him?

Mr. NOONAN. Yes; I have talked to him.

Mr. HALLEY. Where have you seen him?

Mr. NOONAN. Oh, I don't know where I would say I have seen him. He has been round town here for years. I have met him on the streets and all. I have never had any conversations with him at all. I saw him out here all day today.

Mr. HALLEY. Do you know Morris Klein?

Mr. NOONAN. Yes.

Mr. HALLEY. Would you say he is a good friend of yours?

Mr. NOONAN. No; I wouldn't say he was a friend of mine. I know him.

Mr. HALLEY. Have you, for instance, had dinner with him on occasion?

Mr. NOONAN. I wouldn't doubt it. Klein and I have, not Gizzo.

Mr. HALLEY. Yes; we are talking about Klein now.

Mr. NOONAN. Yes.

Mr. HALLEY. Do you know Eddie Spitz?

Mr. NOONAN. Yes.

Mr. HALLEY. Do you know him well?

Mr. NOONAN. Very well.

Mr. HALLEY. Have you ever been in business with Eddie Spitz?

Mr. NOONAN. Yes; I was in a way. I was in with Ralph Spitscaufsky when he came down to Jefferson City, in construction down there; and, when the war came on and closed the construction business, Ralph Spitscaufsky wanted me to go in with him. He has been in the equipment business for years. He wanted me to go with him to buy War Assets contractors' equipment.

Mr. HALLEY. Did you do that?

Mr. NOONAN. I came up here for a while, and Spitz and those fellows were in that company. I don't think I stayed with them more than 3 months.

Mr. HALLEY. What was the name of that company?

Mr. NOONAN. I believe it was Spitscaufsky Equipment Co. then or after I left they changed it. I have read quite a bit about it in the paper. It was known as the Ace Equipment Co.

Mr. HALLEY. Didn't Binaggio have an interest in that, too?

Mr. NOONAN. Yes; he did, and Klein and Spitz and myself, and Ralph Spitscaufsky.

Mr. HALLEY. Were you in any other business venture with Binaggio?

Mr. NOONAN. No, sir.

Mr. HALLEY. None whatsoever?

Mr. NOONAN. Not that I remember of.

Mr. HALLEY. Were you in any other business venture with Spitz?

Mr. NOONAN. No.

Mr. HALLEY. Have you ever been in the gambling business?

Mr. NOONAN. No, sir.

Mr. HALLEY. Never operated books?

Mr. NOONAN. No.

Mr. HALLEY. Or any gambling establishment?

Mr. NOONAN. No. I know nothing about gambling.

Mr. HALLEY. Do you know Gregory Moore?

Mr. NOONAN. I know of him; yes.

Mr. HALLEY. Did you ever meet him?

Mr. NOONAN. Yes; I met him during the campaign.

Mr. HALLEY. Was he active in the campaign?

Mr. NOONAN. He seemed to be. Every time I would go to St. Louis and they would have a meeting and he would be there.

Mr. HALLEY. Was he active in collecting funds for the campaign?

Mr. NOONAN. I don't know. I can't tell you about the fund raising, because I didn't have anything to do with it.

Mr. HALLEY. Did you get any contribution whatsoever from Gregory Moore?

Mr. NOONAN. No.

Mr. HALLEY. Did you give any to Gregory Moore?

Mr. NOONAN. No, sir.

Mr. HALLEY. Was he active, however, in the support of the Smith campaign?

Mr. NOONAN. Alfred Smith—he was out for Smith.

Mr. HALLEY. You would see him when you went to a meeting?

Mr. NOONAN. Yes.

Mr. HALLEY. How about Buster Wortman? Do you know him?

Mr. NOONAN. I met him.

Mr. HALLEY. Also during the campaign?

Mr. NOONAN. During the campaign.

Mr. HALLEY. He was out working for Smith, too?

Mr. NOONAN. I couldn't say whether he was or not. I don't know whether he was or whether he wasn't out working for Smith. It looked like Moore was mixing around with those fellows. I saw him. I don't think I saw him more than once or twice. He didn't make any impression as a worker.

Mr. HALLEY. Whereas Moore did?

Mr. NOONAN. Yes; Moore was more active.

Mr. HALLEY. Wortman was present, however, at political rallies for Smith?

Mr. NOONAN. Yes.

Mr. HALLEY. Did you act as Binaggio's representative in St. Louis?

Mr. NOONAN. No.

Mr. HALLEY. Did you ever hold yourself out to be Binaggio's representative?

Mr. NOONAN. I dealt with Binaggio just like any other man in politics, who has been in politics as long as I have. You go to the man who has the votes and deal with his friends and try to nominate and elect. Smith ran, and naturally I dealt with Binaggio because he did have the votes.

Mr. HALLEY. You did get certain patronage after 1949—that is, after the first of the year in 1949—is that correct?

Mr. NOONAN. Yes, sir; we got patronage.

Mr. HALLEY. But you failed to get that patronage in the police department in Kansas City; is that right?

Mr. NOONAN. I got personal patronage. Are you talking about that?

Mr. HALLEY. I am talking about the patronage that you and Binaggio discussed together and sought to obtain and talked to Cohn about.

Mr. NOONAN. No; we did not. You mean here in Kansas City police department? No.

Mr. HALLEY. You just had no luck; is that right?

Mr. NOONAN. That is right.

Mr. HALLEY. Were you able to get any patronage in the St. Louis police department?

Mr. NOONAN. No, sir; none whatever.

Mr. HALLEY. Do you think the failure to get that patronage might be connected, as some newspaper stories indicate, with the subsequent death of Binaggio?

Mr. NOONAN. I doubt it very much.

Mr. HALLEY. Had Binaggio during the campaign or had you during the campaign—let's take Binaggio first. Had he indicated that he thought that, if he won, he might get certain patronage in the police departments of St. Louis and Kansas City?

Mr. NOONAN. I don't know. I know he expected it in Kansas City. I don't think he expected it in St. Louis.

Mr. HALLEY. Well, let's see. Didn't Bill Molasky contribute \$2,000?

Mr. NOONAN. I read that in the newspaper, but I never heard or saw of the man until I read the article in the paper.

Mr. HALLEY. You didn't know that?

Mr. NOONAN. No. None of these contributions that I know about.

Mr. HALLEY. When you say that Binaggio expected it in Kansas City, was that mentioned at various political meetings?

Mr. NOONAN. No; it wasn't mentioned. What I mean by that, you take it for granted if you have an organization and you have a primary and you win the primary, and your man is successful in the general election, and you are the head of a big faction in the city for the candidate, you take it for granted.

Mr. HALLEY. Who is this fellow Holzhausen?

Mr. NOONAN. Who?

Mr. HALLEY. H-o-l-z-h-a-u-s-e-n.

Mr. NOONAN. I have never heard the name before.

Mr. HALLEY. You never heard that name?

Mr. NOONAN. I don't believe I have.

Mr. HALLEY. Wasn't he on the board of police commissioners in St. Louis?

Mr. NOONAN. Oh, Holzhausen; yes.

Mr. HALLEY. Who is he?

Mr. NOONAN. I don't know him. I just met him one time.

Mr. HALLEY. Wasn't he reputed to be the police commissioner up there who was the thorn in everybody's side and kept Binaggio from getting any patronage in St. Louis?

Mr. NOONAN. I don't know. I never heard that. I doubt very much that Binaggio was asking for any patronage in St. Louis. You have 28 wards in the city of St. Louis, with ward leaders. They are all scrambling for all the patronage they could get to keep their wards up.

Mr. HALLEY. What was Moore looking for in St. Louis? Why do you think he was active politically?

Mr. NOONAN. I haven't the least idea. I know that Moore years ago was connected, you know, politically, with the courthouse in St. Louis. I don't know, the circuit clerk or one of those offices. They had a pretty big office there at one time.

Mr. HALLEY. You know Moore is one of the partners in the Hyde Park Club?

Mr. NOONAN. I know it now.

Mr. HALLEY. When did you not know it?

Mr. NOONAN. When they were talking about his being in politics up there.

Mr. HALLEY. You mean in 1948 then you didn't know Moore was a partner in Hyde Park?

Mr. NOONAN. He wasn't in the courthouse in 1948. I never met him until this primary.

Mr. HALLEY. You are a practical politician, aren't you?

Mr. NOONAN. I have been successful.

Mr. HALLEY. A fellow like Moore isn't in it for love, he is looking for something, isn't he?

Mr. NOONAN. I never thought very many people in politics were not.

Mr. HALLEY. Moore's business is Hyde Park, a gambling business, is it not?

Mr. NOONAN. I guess it is.

Mr. HALLEY. Isn't it a fact that Moore—Did you want to say something?

Mr. NOONAN. Yes; but where would our Missouri Governor help Hyde Park? Isn't that in Illinois?

Mr. HALLEY. I was just going to get to that. Isn't it a fact that Moore and Wortman and the people who were interested in gambling in the St. Louis area were hopeful that as a result of obtaining patronage after the election they would be allowed to operate on the Missouri side?

Mr. NOONAN. Mr. Halley, I never heard that, any intimation of that in any way, shape, or form.

Mr. HALLEY. You never heard of anything like that before?

Mr. NOONAN. I thought and I gathered, not knowing a thing in the world about gambling, I thought those people were very successful and satisfied.

Mr. HALLEY. Why do you think Charlie Binaggio was killed? You were a very good friend of his and a close associate.

Mr. NOONAN. Certainly I couldn't tell you. The police and nobody else seem to be able to find out. Those killings, those kind of people have their own methods of handling things, and I wouldn't know.

Mr. HALLEY. What do you mean by those kind of people?

Mr. NOONAN. I mean Italian people.

Mr. HALLEY. Was Binaggio a different kind of people?

Mr. NOONAN. He belonged to the Italian people.

Mr. HALLEY. Do you think the Mafia had something to do with it?

Mr. NOONAN. If I said "yes" I would be guessing. I don't know.

Mr. HALLEY. Let's clearly call it a guess and ask you to guess, just to help this committee. This is just your best opinion.

Mr. NOONAN. I really couldn't say. I don't know. There have been a lot of killings in this city in the last 10 or 12 years, and they haven't solved any of them. So somebody is doing it who is not very easy to catch. It seems that a certain element of people nobody seems to talk about.

Mr. HALLEY. Wasn't there a conference held in your Jefferson City apartment about this fellow Holzhausen?

Mr. NOONAN. A conference held about him?

Mr. HALLEY. Yes; about the fact that he would not cooperate with the move to get some patronage for the administration.

Mr. NOONAN. Oh, I wouldn't be a bit surprised if there were. You take, we have some senators up there from St. Louis, all good friends of mine. They come down there. I know they were squawking their heads off about Holzhausen and went to the Governor and all because they couldn't get any patronage from him.

Mr. HALLEY. Who were these senators who were squawking?

Mr. NOONAN. All of them I would say with the exception of Mike Kenny. Of course he didn't have any—

Mr. HALLEY. Will you name some who were squawking?

Mr. NOONAN. I know well and good that—well, I would say I can't call just exactly who they were or how they handled it, but I would say that Senator Hilsman didn't like it. He thought he was entitled to patronage up there. Senator Webbe—

Mr. HALLEY. You mean police department patronage?

Mr. NOONAN. Yes.

Mr. HALLEY. That is what you are talking about?

Mr. NOONAN. I imagine it was. That is why they would be talking about Holzhausen.

(Discussion off the record.)

Mr. HALLEY. I asked, I think, who some of the senators were who conferred in your apartment about Holzhausen.

Mr. NOONAN. I believe I answered Senator Hilsman, Senator Webbe. I think they were the only two.

Mr. HALLEY. No others?

Mr. NOONAN. No; I don't believe there were any others. Mr. Halley.

Mr. HALLEY. Did you confer with anybody else about Holzhausen?

Mr. NOONAN. You heard a lot of people talking that he wouldn't work with anybody.

Mr. HALLEY. Who talked about that?

Mr. NOONAN. I can't recall. Pretty nearly everybody, every ward leader in St. Louis I talked to about it.

Mr. HALLEY. Did you talk to Binaggio about it?

Mr. NOONAN. No.

Mr. HALLEY. Did you talk to McKittrick about it?

Mr. NOONAN. I don't believe I did. I can't recall any kind of conversation like that. I can't see where McKittrick would come into the picture.

The CHAIRMAN. Anything further? Mr. Noonan, let me ask you one or two questions now. Your home is here, and you have had various business operations through the years with Charlie Binaggio and some of his associates like Spitz and others?

Mr. NOONAN. Mostly politically, Senator.

The CHAIRMAN. I mean you have had some business connections. They were your friends.

Mr. NOONAN. They were friendly, yes.

The CHAIRMAN. You saw Binaggio rise to a certain amount of political power here in St. Louis. As of the time of the primary, how many votes did he deliver, as we call it, in politics?

Mr. NOONAN. In the primary election?

Senator, I think we put down Binaggio between twenty-five and thirty thousand in the primary.

The CHAIRMAN. He had about 30,000 votes?

Mr. NOONAN. I am talking about Binaggio with his affiliates. That would be Sermon, the mayor of Independence, and the Shannon organization here in Kansas City, the south side of Kansas City.

The CHAIRMAN. A bunch of these groups were affiliated and he was the leader of the group?

Mr. NOONAN. Each had an individual organization, you know.

The CHAIRMAN. But they all came together with him?

Mr. NOONAN. They all affiliated with him.

The CHAIRMAN. What were those organizations? Shannon—

Mr. NOONAN. Shannon's organization, and Mayor Roger Sermon of Independence, Mo.

The CHAIRMAN. Gargotta and Spitz?

Mr. NOONAN. They were understudies. They weren't organizations, you know.

The CHAIRMAN. They were all part of the group.

Mr. NOONAN. When you talk about Sermon, of Independence, he was the head of Jackson County, eastern Jackson County Democratic organization. Shannon had quite an organization built up in South Side Kansas City. Then McKissick has what we call the second ward in Kansas City, which is awfully big as a Democratic ward. Then Binaggio had the first ward.

The CHAIRMAN. So that whole combine you put down for about 30,000 votes?

Mr. NOONAN. 30,000 or 35,000.

The CHAIRMAN. Or would you put him down alone for that amount?

Mr. NOONAN. No.

The CHAIRMAN. He was the biggest element in the group?

Mr. NOONAN. That is right, he was the biggest element.

The CHAIRMAN. He was the leader of the combine.

Mr. NOONAN. That is right.

The CHAIRMAN. On the other side of the combine where was the Pendergast?

Mr. NOONAN. Pendergast was the other side, the opposition.

The CHAIRMAN. How did the votes go in Kansas City? In the first place, how many voters would vote in a primary in this city?

Mr. NOONAN. If I remember correctly I believe Smith won this primary here, I wouldn't want to be positive of these figures, in the neighborhood of 15,000 majority.

The CHAIRMAN. So Binaggio did get to be the biggest single element in the political picture in Kansas City.

Mr. NOONAN. There is no question about that.

The CHAIRMAN. When did you get interested? You were his friend, you were working along with him and trying to further his interests?

Mr. NOONAN. Senator, as far as Kansas City politics is concerned, since 1930, in that neighborhood, I have had no active part in Kansas City politics. I was with the Shannon organization for years and very active in the south side of town. In about 1930 I went to Shannon to support a friend of mine for Senator and he said he made a deal with Pendergast for Charlie House. I split with him and, of course, I didn't join Pendergast. I just went out myself. I went out and supported my friend Bennett Clark against the Shannon and Pendergast combined organization and went out over the State.

Since that I have spent all my time on the State tickets, you know, the Democratic State ticket. I don't take any part in the city politics.

The CHAIRMAN. So after the Shannon break you joined up with Binaggio pretty strongly?

Mr. NOONAN. No, not—Binaggio at that time wasn't hardly heard of, you see, just down here in one little part of the north end of town. He kept getting stronger and stronger. The truth of the matter is he didn't become strong enough that you would pay any attention to him on a State-wide primary fight until this last primary fight.

The CHAIRMAN. At that time he was good for thirty or thirty-five thousand votes, he and his associates?

Mr. NOONAN. Yes. I am estimating.

The CHAIRMAN. You got interested then in the nomination of Forrest Smith?

Mr. NOONAN. Yes.

The CHAIRMAN. When did you get interested in his nomination?

Mr. NOONAN. Senator, in 1948.

The CHAIRMAN. Did he run one time before?

Mr. NOONAN. No, not for Governor.

The CHAIRMAN. For something.

Mr. NOONAN. You see, I believe it was in 1948—he was right down here at Richmond, and he and I were very good friends. In 1928 he ran. That was the Al Smith campaign. Of course the whole State ticket was defeated in Missouri at that time. Then he ran the following election and was nominated and he was elected State auditor every time. I believe it was 16 years.

The CHAIRMAN. So you were very much interested in his nomination for the Democratic primary and in the general election?

Mr. NOONAN. That is right.

The CHAIRMAN. When he started running, you devoted your full time to his nomination?

Mr. NOONAN. That is right.

The CHAIRMAN. Going all over the State?

Mr. NOONAN. That is right.

The CHAIRMAN. Working for him in every way you could?

Mr. NOONAN. That is right.

The CHAIRMAN. That meant you were in conference and in touch with him pretty often.

Mr. NOONAN. I was in touch with him; yes.

The CHAIRMAN. And with John Hendren?

Mr. NOONAN. Not so much with Hendren, Senator. He was in Jefferson City. In fact, during the primary I was in the Smith headquarters in Jefferson City once, and after the primaries I didn't even know where they had their State headquarters. I went out on my own.

The CHAIRMAN. Of course Governor Smith asked you to go out and help him out.

Mr. NOONAN. He was my personal friend for years and naturally I would.

The CHAIRMAN. When you were figuring on how you would get him nominated you thought about Binaggio and all of his votes here. As a matter of fact, you took Binaggio over there to meet Governor Smith, didn't you?

Mr. NOONAN. Yes.

The CHAIRMAN. You got them together.

Mr. NOONAN. Yes; at the Phillips Hotel.

The CHAIRMAN. In Jefferson City?

Mr. NOONAN. No; here in Kansas City.

The CHAIRMAN. Smith was here and you got hold of Binaggio and took him up here?

Mr. NOONAN. That is right.

The CHAIRMAN. The three of you talked things over together?

Mr. NOONAN. I believe if I remember right now—I am not positive of this—I believe Henry McKissick was also with him and they came down together.

The CHAIRMAN. Was it agreed that if Binaggio would put his 30,000 or 35,000 votes in, Smith would remember him?

Mr. NOONAN. Well, yes.

The CHAIRMAN. And recognize him over here as the leader?

Mr. NOONAN. Senator, I know you know a certain amount of politics.

The CHAIRMAN. We are practical politicians.

Mr. NOONAN. That is it exactly, about what passed.

The CHAIRMAN. I take it, looking at you and from what some of my friends say who have talked with you, that you are a good Irishman.

Mr. NOONAN. I appreciate that very much.

The CHAIRMAN. So, just what took place in that conversation?

Mr. NOONAN. I couldn't tell you. That was pretty nearly a year before the primary. It was in the early part of the year of the primary. I don't remember what took place in that, but I will say that surmising more than anything else, as we sat there. I don't believe they agreed at that first meeting. Binaggio said he and McKissick would have to take it up. He thought they would work it up and go for Smith; for Smith not to worry about it.

The CHAIRMAN. When was the next meeting?

Mr. NOONAN. I don't remember the next meeting. I called that first meeting myself.

The CHAIRMAN. When was the next time the three of you got together?

Mr. NOONAN. I don't remember.

The CHAIRMAN. Several times?

Mr. NOONAN. We were together quite a few times; yes.

The CHAIRMAN. Eventually, then, was there an understanding that in reward for Binaggio's big block of votes over here he would be recognized as the leader in this community of the Smith forces?

Mr. NOONAN. I don't remember that ever being put in those words, Senator, but it was taken for granted if you take your organization, and we know you have the organization here, if you will go with me, as far as patronage is concerned, I will take care of you.

The SENATOR. You don't know the exact words, but that was the understanding?

Mr. NOONAN. That is generally always the understanding, and I am pretty sure it was here.

The CHAIRMAN. So, after the election and Smith won the nomination, after Binaggio came through in the primary campaign and the general election campaign, then it was generally understood here that he was the leader in this city anyway in State politics, and he was going to have pretty much his way around here.

MR. NOONAN. As far as patronage is concerned, I personally felt we owed it to him. We had asked him to support us, and he did, and I didn't hesitate a bit to think that the patronage coming here in Kansas City should go to Binaggio.

THE CHAIRMAN. You went over and told the Governor that, too?

MR. NOONAN. I wouldn't doubt it.

THE CHAIRMAN. So, the first thing that was done was that you got these two men, Milligan and Farrell, on the police commission. How was that worked out?

MR. NOONAN. Senator, I will tell you about that. The newspapers distorted that an awful lot. Tuck Milligan is one of the closest life-long friends that Forrest Smith has. Tuck Milligan was right on the adjoining properties here in Rhea County. They were born and raised together. Smith ran for auditor and was elected time after time. At the same time Tuck was elected to Congress. I think Tuck was in Congress for 14 years. They were helping each other out. Both from the same district.

THE CHAIRMAN. That was a sort of personal appointment.

MR. NOONAN. It was.

THE CHAIRMAN. But you did have in mind that he would go along with the program and recognize the organization?

MR. NOONAN. I did. I think so.

THE CHAIRMAN. Mr. Farrell, the manager of the Phillips Hotel, also advocated a wide-open city?

MR. NOONAN. Yes; he did. He doesn't hesitate to tell you that he wanted a wide-open city.

THE CHAIRMAN. Wasn't it the understanding that after the election the city would be opened up? That was what Binaggio wanted.

MR. NOONAN. If he wanted it, to my knowledge, there was no assurance ever given him of that.

THE CHAIRMAN. It was understood that is what he wanted.

MR. NOONAN. I imagine so.

THE CHAIRMAN. Wasn't that the reason Farrell was put on, because he advocated a wide-open city?

MR. NOONAN. I don't believe so. You know, Senator, in a campaign Charlie Phillips was very active for Smith. His sons were very active. And Farrell, the manager of the hotel, was very active. They gave their headquarters. Mr. Phillips gave suites of rooms to the Governor, which he always does for the Governor, President, or anybody like that. He also sets aside a suite of rooms when they are in Kansas City. He was very good to Smith. I understood he gave a contribution to it. Old Man Phillips—we call him "Old Man"—Charlie Phillips was more instrumental, I think, in having Farrell appointed than any other one person.

THE CHAIRMAN. Mr. Noonan, about the first thing that Binaggio wanted, and you wanted also, was a change of the chief of police.

MR. NOONAN. Yes.

THE CHAIRMAN. You wanted to get Johnson out.

MR. NOONAN. Yes. I didn't care who they put in.

THE CHAIRMAN. You went over to see the Governor about it, and you didn't seem to be able to get this fellow Johnson out, and Binaggio wanted him out and you wanted him out—

Mr. NOONAN. I don't believe I did, Senator. If I said anything to the Governor about it, I said I didn't think this man should be in there, and I had been trying in every way I could to take him out.

The CHAIRMAN. Did the Governor say he appointed the right fellows, and you ought to work it out over there locally?

Mr. NOONAN. No.

The CHAIRMAN. What did he say about it?

Mr. NOONAN. I don't remember what he said. The truth of the matter is I don't know that I took the issue up with him. I know I felt like it, and I more than likely said something to him about it, because I did say to the commissioner I didn't think he belonged there.

The CHAIRMAN. You have an apartment over in Jefferson City?

Mr. NOONAN. That is right.

The CHAIRMAN. Missouri Apartment Hotel; is that right?

Mr. NOONAN. It is an old house, built over. It is owned by the Missouri—

The CHAIRMAN. When Binaggio would come over to Jefferson City, would he stay at your apartment?

Mr. NOONAN. He has at times; yes.

The CHAIRMAN. You went all over the State and did all this work over a period of more than a year; wasn't it?

Mr. NOONAN. Yes.

The CHAIRMAN. Finally, it would appear you got only about \$1,400 out of it?

Mr. NOONAN. I didn't get \$1,400 out of that.

The CHAIRMAN. Was that not what you finally got?

Mr. NOONAN. That was the following year, after it was over.

The CHAIRMAN. How did you get the \$1,400?

Mr. NOONAN. Just on commission. You see, I represent and have for 12 years, the Aetna Casualty Co. in Jefferson City.

The CHAIRMAN. You were going to write bonds and what not?

Mr. NOONAN. Bonds, contracts. I did write some official bonds, but most of them didn't come up that first year. They were hold-over appointments.

The CHAIRMAN. All you got in commissions was \$1,400. You didn't do very well.

Mr. NOONAN. The truth of the matter is, Senator, I never have done very well financially.

The CHAIRMAN. What other investments did you have with Binaggio besides the ones you have talked about; any others?

Mr. NOONAN. None that I remember.

The CHAIRMAN. That is about all I wanted to ask you.

Do you have anything, Mr. White?

Mr. WHITE. Do you know a man named Joe Matthews from St. Louis?

Mr. NOONAN. Yes; I do.

Mr. WHITE. Did you ever discuss the police situation with him?

Mr. NOONAN. With him and for him and with the commissioners trying to get him appointed.

Mr. WHITE. You wanted to make him chief of police there?

Mr. NOONAN. No.

Mr. WHITE. What did you want?

Mr. NOONAN. Reinstated on the police department.

Mr. WHITE. Did you know any other members of the Hyde Park Club or the partners of the Hyde Park Club, I should say, besides Gregory Moore?

Mr. NOONAN. I wouldn't know who they were. If you called their names, maybe I would know them.

Mr. WHITE. Of your own knowledge, you don't know of any other persons?

Mr. NOONAN. No.

Mr. WHITE. Did Matthews, to your knowledge, ever collect any money from St. Louis or East St. Louis area and bring it over to Jefferson City?

Mr. NOONAN. Not to my knowledge.

Mr. WHITE. Did you ever discuss with him the delivery of \$30,000 from Jefferson City to the Governor's office?

Mr. NOONAN. No.

Mr. WHITE. That is all.

The CHAIRMAN. You know Senator Hogan very well; do you not?

Mr. NOONAN. Yes; I know him.

The CHAIRMAN. How about Senator Hogan? Did he stay at your apartment?

Mr. NOONAN. No; never.

The CHAIRMAN. Is he the fellow who is supposed to have collected a lot of money?

Mr. NOONAN. I saw that in the newspaper here recently but I never heard of it.

The CHAIRMAN. Does he brag about how much he got from the gamblers?

Mr. NOONAN. Senator, he is one who would brag about it if he thought it would get him a little attention or publicity. He is rather a loud-mouthed sort of fellow.

The CHAIRMAN. Do you think he did or didn't?

Mr. NOONAN. I don't think he did. He is one of those kind. If you had a conference with him, in 30 minutes you would be disgusted and turn around and walk out.

The CHAIRMAN. How old are you, Mr. Noonan?

Mr. NOONAN. Sixty years old this September.

The CHAIRMAN. Have you a family?

Mr. NOONAN. Just my wife.

The CHAIRMAN. All right. I think that is all we want to ask you, sir, and thank you.

Mr. NOONAN. Thank you, sir.

The CHAIRMAN. Call Mr. Partnoy, please.

Mr. Partnoy, do you solemnly swear the testimony you will give this committee will be the whole truth and nothing but the truth, so help you God?

Mr. PARTNOY. I do.

#### TESTIMONY OF SIMON PARTNOY, KANSAS CITY, MO.

Mr. WHITE. Will you tell us your full name, Mr. Partnoy?

Mr. PARTNOY. Simon Partnoy.

Mr. WHITE. Where do you live, sir?

Mr. PARTNOY. 5017 Wyandotte.

Mr. WHITE. Mr. Partnoy, can you tell me the story and the details of your employment with the Harmony News Service in the city of Kansas City?

The CHAIRMAN. Harmony Publishing Co.

Mr. WHITE. Just tell us how you came in the business, what your arrangements were.

Mr. PARTNOY. First, I was with the Nationwide News Service as assistant manager and chief operator. They went out of business, I believe, in 1939. The manager at that time was Charles Haughton. He is deceased now. He was very sick at that time. So, when the Nationwide News Service was discontinued, Chicago called me—Mr. Ragen did—and he said: "Well, we will start again. You go and make arrangements for everything, and we will have a new deal. This will be your company down here. It will be better for everybody." So I went to the Western Union. They never sent me anything. I went to the Western Union and I paid them a \$1,500 deposit out of my own pocket and made arrangements for telephones and all the other equipment. When we started in operation again, it was practically the same subscribers that we had under Nationwide. I knew them. When it came time for me to remit to them, he said, "They told me there in Chicago that we would have to go on and be under a kind of drawing account until the good offices would take care of the bad offices until they got started."

Mr. WHITE. Let me interrupt you you at this point, Mr. Partnoy. Who told you that?

Mr. PARTNOY. Mr. Ragen.

Mr. WHITE. What was the name of the Chicago service at that time, the home office?

Mr. PARTNOY. Continental Press.

Mr. WHITE. How many customers had Nationwide, which I assume is a distributor of Continental Press information in the Kansas City area? How many customers did you have at the time when you started?

Mr. PARTNOY. It is pretty hard to say. We had about 8 or 9 customers on the ticker and about 8 or 9 or 10 customers on the telephone.

Mr. WHITE. Was there any competing news service at that time?

Mr. PARTNOY. No, sir.

Mr. WHITE. What territory did you serve?

Mr. PARTNOY. I took care of the west half of Missouri, Kansas, Nebraska, Iowa, and Oklahoma.

Mr. WHITE. You had a total of less than 20 customers in that whole territory?

Mr. PARTNOY. Something like that; yes.

Mr. WHITE. No other news service available?

Mr. PARTNOY. No.

Mr. WHITE. What were you charging most of those customers?

Mr. PARTNOY. Well, different rates, whatever I could get out of them.

Mr. WHITE. What was the most you could get out of them?

Mr. PARTNOY. For instance, Omaha, I think they paid as high as \$600.

Mr. WHITE. A week?

Mr. PARTNOY. That is right. Tulsa paid as high as \$400. Wichita I believe was around \$200. Des Moines we got at times \$300 out of.

Mr. WHITE. This was about the year 1939?

Mr. PARTNOY. It wasn't exactly that. I am mistaken there. There was—I think at the time the Government—either it was in 1939 or 1940—that the Government was charging that there was a lottery. Right after the lottery charges were dismissed, that is when I went to Western Union and we resumed our out-of-town business.

Mr. WHITE. For a short period of time you discontinued your operations?

Mr. PARTNOY. That is right, and then it started up—I think it was Judge Holly's decision that it wasn't a lottery.

Mr. WHITE. So in 1940, at any rate, you resumed services as the manager and chief operator of the Nationwide—

Mr. PARTNOY. No, I was the owner of the Harmony Publishing Co.

Mr. WHITE. I am talking about before the change-over. When did you take Harmony? When did the change-over occur?

Mr. PARTNOY. I think when it first started we called it the Eagle scratch sheet.

Mr. WHITE. What year was that?

Mr. PARTNOY. I think that must have been right after 1939.

Mr. WHITE. That was when you were in business for yourself for the first time?

Mr. PARTNOY. That is right.

Mr. WHITE. Prior to that time you had been a salaried employee?

Mr. PARTNOY. Of the Nationwide.

Mr. WHITE. Which was a local distributing service.

Mr. PARTNOY. And out-of-town service.

Mr. WHITE. And out-of-town service.

Mr. PARTNOY. That is right.

Mr. WHITE. Receiving news from Continental Press?

Mr. PARTNOY. No, before that it was receiving it from Nationwide. This office was just a branch office of the Nationwide.

Mr. WHITE. Which was one of Annenberg's original ventures?

Mr. PARTNOY. That is right.

Mr. WHITE. After Annenberg went to the penitentiary, Ragen took it over and it became Continental Press; is that correct?

Mr. PARTNOY. I think that was right.

Mr. WHITE. That was about in 19—

Mr. PARTNOY. I think it was about a week or so right afterward. That is when I started on this telephone service.

Mr. WHITE. I just want to bring us up to date. When you started receiving Ragen's news, you were no longer a salaried employee?

Mr. PARTNOY. I was on a drawing account. The understanding at the time was that this would be my office here, and I did start everything in my name, and I was going to get a better deal than there had been with the Nationwide.

Mr. WHITE. Didn't you hold the franchise of the Chicago News Service in this area? Didn't you purchase and inherit and have the knowledge to operate your own venture here?

Mr. PARTNOY. That is right.

Mr. WHITE. Don't you recall that about that time after Annenberg's departure from the racing business that Ragen announced publicly and otherwise that no longer would the Continental press try to control the outlets of their information, but that they would sell it to all

comers at any price and they would have distributors with independent operators in the field?

Mr. PARTNOY. I don't know that he made that announcement or not, but that is the way I understood it was going to be.

Mr. WHITE. That is right. Didn't Ragen also tell you that you would have to have some sort of printing enterprise in conjunction with this so that you could classify yourself as a publisher?

Mr. PARTNOY. That is right.

Mr. WHITE. That was the reason for starting the Eagle scratch sheet?

Mr. PARTNOY. That is right.

Mr. WHITE. But in spite of this you claim that you were still a salaried employee and not a free agent?

Mr. PARTON. I was on a drawing account yet. I thought the arrangements originally were that I was going to have it and pay them so much a week for it and the rest would be my profits here, or I wouldn't have taken my own money and made it as a deposit.

Mr. WHITE. What were you paying Ragen for the information at that time?

Mr. PARTNOY. I think it was about \$125 a week and expenses, and the rest of it I was remitting to them.

Mr. WHITE. You were actually paying Ragen \$125 a week?

The CHAIRMAN. That was what he was getting.

Mr. PARTNOY. I was deducting my drawing account, which was allowed. I imagine it was about \$115 or \$125 a week.

Mr. WHITE. In other words, you were still a salaried employee of Ragen.

Mr. PARTNOY. In a way: yes. I wasn't supposed to be. He just told me that until they got started.

Mr. WHITE. Did that picture ever change as far as you and Ragen were concerned?

Mr. PARTNOY. No, it didn't. That is the reason why I thought they did me wrong there.

The CHAIRMAN. How much did you remit? How much was the usual remittance to Ragen? You kept \$125 a week.

Mr. PARTNOY. It would be around \$1,500 a week when we had the out-of-town business, something like that.

Mr. WHITE. How much a week?

Mr. PARTNOY. Around \$1,500.

Mr. WHITE. That you would send to Chicago?

Mr. PARTNOY. That is right. For a while I sent it to St. Louis, the Missouri Publishing Co. there. I imagine he sent it to Continental Press.

Mr. WHITE. During this period was it a part of your function there to solicit customers to see that they got the service and to set the price on what you would charge for that service?

Mr. PARTNOY. That is right.

Mr. WHITE. In addition to that you also purchased certain equipment necessary to operate the service?

Mr. PARTNOY. That is right.

Mr. WHITE. And you put up, what was it, a deposit with Western Union?

Mr. PARTNOY. That is right; \$1,500.

Mr. WHITE. What was the purpose of the deposit?

Mr. PARTNOY. I put a deposit up there to get the ticker machine that we relayed out of Kansas City. They afterward refunded that to me.

Mr. WHITE. You paid the telegraph toll charges and the telephone charges out of the receipts from the bookmakers?

Mr. PARTNOY. That is right.

Mr. WHITE. What check did Ragen and Continental Press have on you to know that you were giving them their proper cut in this matter?

Mr. PARTNOY. I guess they either took my word for it or they probably—they had that man in St. Louis, who used to come down every once in a while.

Mr. WHITE. Who was that?

Mr. PARTNOY. A fellow named Lynch, Bill Lynch.

Mr. WHITE. What would he do when he came down?

Mr. PARTNOY. He would come down here and go over the subscribers with me and things like that.

Mr. WHITE. Was Lynch from Pioneer News Service in St. Louis?

Mr. PARTNOY. No, he had no connection with them. He was working with the Continental Press. That lasted there for a while. Then I used to remit right direct to the Continental Press.

Mr. WHITE. I am interested in Lynch. Who was Lynch and what was his function with respect to Continental.

Mr. PARTNOY. He was a kind of middle man between me and the Continental Press.

Mr. WHITE. Did Lynch ever collect the moneys from you?

Mr. PARTNOY. I used to remit to him.

The CHAIRMAN. Was the name of his company the—

Mr. PARTNOY. It was the Missouri Publishing Co.

Mr. WHITE. Was he sort of field inspector, you might say, for Continental?

Mr. PARTNOY. That is right.

Mr. WHITE. How long did he stay in that position in relation to you?

Mr. PARTNOY. I imagine it was a couple of years.

Mr. WHITE. From about 1940 to 1942 he exercised some sort of supervision over you?

Mr. PARTNOY. I couldn't tell exactly but it was a couple of years.

Mr. WHITE. During this time, say from 1940 up until about 1946 or 1947, were your customers coming and going, that is, one day you would get some new customers and the next day you would lose some customers?

Mr. PARTNOY. That is possible; yes.

Mr. WHITE. The police would raid a place and you would lose a customer there but somebody else would spring up in another location?

Mr. PARTNOY. That is right.

Mr. WHITE. In each instance it was your duty to fix the charge for the service to those people?

Mr. PARTNOY. That is right.

Mr. WHITE. What did you base that charge on?

Mr. PARTNOY. Generally the last part was getting \$108 a week for the service locally.

Mr. WHITE. When did you cut out your interstate features of Harmony?

Mr. PARTNOY. When I went with the Continental Press we kept it up until I went away from the Continental Press and went in with Eddie Spitz. I think that was in 1946, I think the fall.

Mr. WHITE. Apparently part of the deal with the so-called Trans-America service was that you wouldn't operate out of your immediate territory.

Mr. PARTNOY. That is right.

Mr. WHITE. Did your change-over from Continental to Trans-America coincide with the death of Ragen?

Mr. PARTNOY. It was after Ragen died.

Mr. WHITE. Immediately after?

Mr. PARTNOY. It wasn't very long afterward.

Mr. WHITE. Was there some connection between his death and your change-over, to your knowledge?

Mr. RAGEN. No, sir; not a bit.

Mr. WHITE. That was in about 1947 that Ragen was shot, wasn't it?

Mr. PARTNOY. I imagine it was a month or two after I went with Spitz. I imagine it was in 1946.

Mr. WHITE. Ragen was still alive when you went over to Trans-America?

Mr. PARTNOY. No. He was dead. I am pretty sure he was.

Mr. WHITE. You said a month or two after you went over with Spitz.

Mr. PARTNOY. I mean a month or two after Ragen's death I went over.

Mr. WHITE. At any time during that 6-year period was there any change in your business arrangements and your financial arrangement with Ragen and Continental Press?

Mr. PARTNOY. No. I tried many times, but he kept on telling me that they are just not making anything, that they are having trouble all over the country.

Mr. WHITE. He was making \$1,500 a week off you, was he not?

Mr. PARTNOY. But he was telling me that the good offices, considering Kansas City a good office, had to pay for the bad offices. That is one reason why I went over with Spitz.

Mr. WHITE. Did you try to check up and verify his statement? Did you accept his word at face value?

Mr. PARTNOY. I couldn't check up on anything like that. After all, I am just in the territory. I am just a cog in the wheel there.

Mr. WHITE. Did you have a contract with Ragen of any kind?

Mr. PARTNOY. No contract, just all verbal.

Mr. WHITE. When you took over the business then and invested your money, you must have had a contract of some kind or other—

Mr. PARTNOY. Just verbal. I just took his word for it.

Mr. WHITE. At any rate you had the customers and that was the important thing, wasn't it?

Mr. PARTNOY. That is right.

Mr. WHITE. Didn't you feel you were justified in holding out as much of the receipts from the customers as you cared to?

Mr. PARTNOY. After all he could have shut me off and I wouldn't have anything. At that time what I was getting from my drawing account was pretty good money.

Mr. WHITE. Did you ever talk to Ragen personally?

Mr. PARTNOY. Yes, sir.

Mr. WHITE. Where did you meet him?

Mr. PARTNOY. I was up there once during the Annenberg case. I was a witness in the Annenberg case there. He went through here once and I saw him. I had lunch with him at a hotel.

Mr. WHITE. When you took over the service here and invested your money, didn't you feel that it was necessary to have some definite understanding or some binding agreement that would protect your investment?

Mr. PARTNOY. I thought I was just taking his word for it. After all, I was in that kind of business for a good many years and I thought at the time his word was good.

Mr. WHITE. Then I gather that you received \$125 a week as your salary?

Mr. PARTNOY. It was practically just like a salary, but it was supposed to have been my drawing account.

Mr. WHITE. What is the difference between a salary and a drawing account so far as you were concerned?

Mr. PARTNOY. I don't know. As far as I was concerned there was no difference. It was just the idea—

Mr. WHITE. Except that you could pay yourself out of the receipts.

Mr. PARTNOY. That is right.

Mr. WHITE. Did you have any bonus at the end of the year?

Mr. PARTNOY. I could deduct my income tax from it.

Mr. WHITE. Did you get any percentage of your net receipts?

Mr. PARTNOY. No, sir.

Mr. WHITE. Was there any particular incentive for you to solicit new business or to charge a higher rate for the service?

Mr. PARTNOY. The idea is, if I didn't produce here I wouldn't be here very much with them. They probably would get somebody else to replace me.

Mr. WHITE. Then around 1947, about 2 months after Ragen was killed, you changed over from Continental to Trans-America.

Mr. PARTNOY. I went on through Eddie Spitz, of course.

Mr. WHITE. Tell me what Eddie Spitz said to you and what you said to him with respect to your employment with Trans-America.

Mr. PARTNOY. He came to me and he said that he was able to get the Trans-America News Service franchise.

Mr. WHITE. Did he say how?

Mr. PARTNOY. No. He said he was able to get it and wanted to know if I was interested. I said "I am interested in anything that will make me more money." I explained what Continental had promised me. He agreed to pay me \$200 a week plus 15-percent commission and also \$7,500 if I would go over to him, in three payments, which he did. I was getting this \$200 a week, plus a 15-percent commission until the Trans-America went out of business.

Mr. WHITE. When did Trans-America go out of business?

Mr. PARTNOY. I believe it was in 1947.

Mr. WHITE. How long had Trans-America been in business at the time you became employed by Spitz?

Mr. PARTNOY. It was a new company. I had seen it in the newspaper, I think the Chicago papers, that there was a competitive news service.

Mr. WHITE. Who did you understand was back of that?

Mr. PARTNOY. Pat Burns.

Mr. WHITE. Who else?

Mr. PARTNOY. I don't remember. I know his son was in there too. I don't know who was in back of that.

Mr. WHITE. Then you continued to work for Trans-America for about 2 months, and then Ragen was killed and then—

Mr. PARTNOY. No, no. I think Ragen was killed before I went to the Trans-America—I mean Eddie Spitz.

Mr. WHITE. But after you had been to work for Trans-America about 2 months, then did you go back to Continental or did the service just change?

Mr. PARTNOY. I think it was longer than 2 months that I was with them that Trans-America went out of business.

Mr. WHITE. How long was it?

Mr. PARTNOY. I would say 5 to 6 months.

Mr. WHITE. Did you use the same offices that you had used when you were working for Continental?

Mr. PARTNOY. That is right.

Mr. WHITE. All you did was to pipe a different kind of service into your distributing system?

Mr. PARTNOY. No. We had a ticker, a Western Union ticker that we used to receive the information from the Continental Press. That same ticker—the Trans-America must have had a lease—I know they had a lease and that was changed over to their wires, cut in on their wires. Then when the Trans-America went out of business we got a notification on the machine that effective Saturday the service would be discontinued. So I called Eddie Spitz up and he came down to the office. I showed him that little piece on the tape there. I said, "It looks like they are all done with." So he came to me and said, "Maybe you had better try to get it from the other people." He said, "Do you know any of them?" I said, "Well, I knew one fellow there. I wouldn't try to call him myself because they probably are sore at me for going over with you and the Trans-America." So I told him Mr. Eddie Lenz' name. You can get the information from him. So he called Eddie Lenz and without us losing any time at all we were cut in on the Mid-West Illinois News Service wire.

The CHAIRMAN. This was a Continental subdistributor out of Chicago, was it not?

Mr. PARTNOY. I don't know. I know when I remitted I remitted to the Mid-West Illinois, but it is the same kind of service that they put out.

The CHAIRMAN. But the arrangements were made with Mr. Lenz who was then an official of Continental, weren't they?

Mr. PARTNOY. I don't know what he was doing there.

The CHAIRMAN. Is that not why you told Spitz to call him?

Mr. PARTNOY. He called him at that office that I gave him; yes.

The CHAIRMAN. At the Continental office?

Mr. PARTNOY. Yes; that is right.

The CHAIRMAN. As a result of that call you got an office still over the same line, but this time named Mid-West Illinois News Service?

Mr. PARTNOY. That is right.

The CHAIRMAN. The machine never left the location?

Mr. PARTNOY. No, sir.

The CHAIRMAN. The only difference in the service was the label on the ticker tape.

Mr. PARTNOY. The Western Union had to cut us in. They had to get a lease there with different lessees.

Mr. WHITE. When this new arrangement started, was Spitz and his associates employees of Continental as you had been before?

Mr. PARTNOY. I only knew Spitz. His associates I found out later through newspapers since the trouble here. But my business was always with Mr. Spitz.

Mr. WHITE. So far as you were concerned, the news-distribution agency here was no longer in the role of an agency of the Chicago office. It was an independent operator?

Mr. PARTNOY. That is right.

Mr. WHITE. Didn't you think it was strange that Spitz a newcomer to this business, not knowing anybody in the business, could get the franchise for himself and make all of this money for himself and his associates, whereas you worked for 6 or 7 years on a \$125 a week salary?

Mr. PARTNOY. I worked indirectly longer than that for them.

Mr. WHITE. What is your explanation of your working on a salary basis?

Mr. PARTNOY. He probably either had influence some place or was able to negotiate something.

Mr. WHITE. What do you mean by influence some place? What kind of influence?

Mr. PARTNOY. I don't think the people would give a franchise like that unless he had some kind of influence some place. That is my thinking now. He said he could get the franchise and he did.

Mr. WHITE. Wasn't it pretty obvious to you that the whole operation of Trans-America News Service was merely a scheme to change the ownership and control of these local franchises to a different partnership or control?

Mr. PARTNOY. No, it wasn't, not to me it wasn't.

Mr. WHITE. Didn't you think it was curious that Mr. Spitz and some other fairly well known hoodlums suddenly—

Mr. PARTNOY. To me at that time there wasn't anybody I knew connected with the business but Spitz.

Mr. WHITE. You know it now. What do you think about it now?

Mr. PARTNOY. I just have a different version of it now. There must have been some political influence somewhere, not political, some influence some place that they were able to get it. How they got it I don't know.

Mr. WHITE. I would like to have your opinion on it. You are an expert. You have been in this business and around it for a good many years. We honestly would like to know what was behind that change-over.

Mr. PARTNOY. I couldn't say what was behind the change-over. All I know is that it was changed over. The details of how it was accomplished Spitz never told me. I never asked him. I know it was done. In my opinion—of course I have been reading the papers and everything, and the way it looks, there was some kind of influence. He must have known somebody some place.

Mr. WHITE. Did you receive the \$7,500 payment in one chunk?

Mr. PARTNOY. No, sir; three payments of \$2,500 each.

Mr. WHITE. Over what period of time?

Mr. PARTNOY. About 3 years.

Mr. WHITE. If I said it would appear that the net profit of the Mo-Kan Co. or the Universal, the successor to Harmony, was around \$45,000 for the year 1947, would you think this was a fair figure?

Mr. PARTNOY. I wouldn't want to say anything until I took a good look at my books to refresh my memory. The books absolutely have all that information.

Mr. WHITE. As a rough guess, would you say that was about right?

Mr. PARTNOY. What year are you talking about?

Mr. WHITE. 1947.

Mr. PARTNOY. In 1947 I think it was—I don't know, probably around \$25,000, around in there. I don't believe it was that much. I couldn't say—

Mr. WHITE. According to the returns it was \$45,000.

Mr. PARTNOY. Whatever my books show is exactly what it was.

Mr. WHITE. You so claimed as a deduction a loss resulting from your sale of the franchise, did you not?

Mr. PARTNOY. Well—

The CHAIRMAN. Let's get it out.

Mr. WHITE. We don't have it, sir.

Mr. PARTNOY. The accountant made it out. Whatever he made out—

Mr. WHITE. I am not questioning the accuracy of the figure. The only thing I am trying to understand is how you could sell the franchise that you actually didn't own. What did you give for your \$7,500?

Mr. PARTNOY. I had the office, the equipment, the telephones were in my name.

Mr. WHITE. You didn't own the office. You rented that.

Mr. PARTNOY. I rented it but it was still in my name. It was all set up. The telephones which were precious at the time were in my name. The machine, the ticker, the contract, was in my name.

Mr. WHITE. Contract with whom?

Mr. PARTNOY. Western Union for the ticker going to these towns. I knew these customers. In other words, it was all set up to make money from the start.

Mr. WHITE. It was a going concern.

Mr. PARTNOY. That is right.

Mr. WHITE. Of your own knowledge you have no idea why you were forced to work as an employee as a local distributor here, in spite of promises that you would become an independent operator, and why Spitz and his partners could overnight become such an independent operation?

Mr. PARTNOY. They were able—it was a different company. It wasn't with the same people, the Continental Press.

Mr. WHITE. All except for 2 or 3 months. They switched over to Trans-America and then they went back to Continental and everything was all right.

Mr. PARTNOY. When they went back to Mid-West, they took the out-of-town business away from them. We were operating locally for a good many years afterward.

Mr. WHITE. Incidentally, during the time that you were working for Continental, did Ragen or anybody else ever tell you how much to charge customers?

Mr. PARTNOY. No, sir.

Mr. WHITE. Did they ever suggest that charges should be based on the number of phones that they had?

Mr. PARTNOY. They never interfered or looked into any business. I always conducted this office in Kansas City as nearly as a legitimate business as a person could conduct it.

Mr. WHITE. I am sure of that, but I am trying to find out whether or not Ragen told you as his agent how much to charge the individual customers of the company.

Mr. PARTNOY. No; I just charged them by experience in this kind of business. I sometimes would go around when it was out-of-town business, I would travel a little bit, and I would meet them, naturally, and I would find out if they could pay more.

Mr. WHITE. Take in the case of Omaha for example. Did you ever suddenly decide that a place which had been paying \$300 a week, was now doing such a business that they should be paying \$500 a week?

Mr. PARTNOY. Omaha was distributing service to people in Omaha, just like we were here. When I would go down there, I would talk to him, if his gross wasn't any more, and see if he could pay more.

Mr. WHITE. Did you look at his books?

Mr. PARTNOY. I never looked at anybody's books in my life.

Mr. WHITE. Did you take his word for it?

Mr. PARTNOY. Yes, sir.

Mr. WHITE. Did you ever try to raise the price on someone and have them complain to the Chicago office and as a result receive some instructions in that regard from Ragen?

Mr. PARTNOY. Yes, sir; that happened once.

Mr. WHITE. What was that occasion?

Mr. PARTNOY. I was taking care of Milwaukee, Wis., at that time. They had some trouble in Illinois. So they hooked that on to mine. That fellow in Milwaukee, I think it was Lynch, told me he ought to be paying more. He was paying I believe \$216.

Mr. WHITE. Who told you that; Lynch?

Mr. PARTNOY. Lynch, of St. Louis, told me that.

Mr. WHITE. Of Continental?

Mr. PARTNOY. Of the Missouri Publishing Co., which was practically the same as Continental, told me he was paying only \$216, and let's get a raise out of him. So I called him on the phone. I think his name was Louis Simon, or something like that. I told him that we ought to have some more money there. Afterward I got a phone call, I believe from Lynch, telling me to leave him alone.

Mr. WHITE. When you started to work for Trans-America and when you sold your assets to them—

Mr. PARTNOY. I didn't sell it to Trans-America.

Mr. WHITE. Excuse me, to Spitz, et al., you sold them a property that they could start operating immediately.

Mr. PARTNOY. That was actually in operation.

Mr. WHITE. Did you or any of the partners then go out and try to solicit more business?

Mr. PARTNOY. At that time when we went over to Trans-America, the Mid-West Illinois was going around to my subscribers and trying to take them away from us.

Mr. WHITE. Who was that? Who was representing Mid-West Illinois?

Mr. PARTNOY. Eddie Lenz was one of them.

Mr. WHITE. Who else?

Mr. PARTNOY. I think there was a fellow named McLaughlin.

Mr. WHITE. Do you know his first name?

Mr. PARTNOY. I think it is Lester, Lester McLaughlin.

Mr. WHITE. Anybody else?

Mr. PARTNOY. They had a few more who were going around to every one of my subscribers and trying to take them away from us.

Mr. WHITE. In other words, Continental didn't stop when you went over to Trans-America. Continental or Mid-West came in here. Did they put another man in the office in your place?

Mr. PARTNOY. No. It was my office here.

Mr. WHITE. Did they set up another office somewhere?

Mr. PARTNOY. No; they didn't set up an office here, but they in fact called every one of the subscribers in my territory here and tried to get them to take their service instead of the ones that I was connected with. And did succeed in Tulsa. We got word that the fellow in Omaha was going to switch over to them. I think Eddie went down—I think he went to Tulsa and he also went to Omaha.

Mr. WHITE. Eddie Spitz?

Mr. PARTNOY. Yes. That is right.

Mr. WHITE. Did he return with his mission accomplished?

Mr. PARTNOY. We had a machine; there were two services in Tulsa. It was our service and the Mid-West's.

Mr. WHITE. Why did they take both services?

Mr. PARTNOY. Because it was two different parties there.

Mr. WHITE. I see. The same place wasn't taking both services.

Mr. PARTNOY. Not that I know of.

Mr. WHITE. Do you know of any customers in this area or any other area who are taking both services?

Mr. PARTNOY. I don't recall any; no. Oh, yes, I do.

Mr. WHITE. Who is that?

Mr. PARTNOY. I think that man in St. Joseph did for a while.

Mr. WHITE. He did take that because he was afraid to drop either of them?

Mr. PARTNOY. I don't know why he would be afraid. I know I never threatened anybody. I am not that type.

Mr. WHITE. You had some pretty tough characters as your—

Mr. PARTNOY. The only one I know, Eddie Spitz, is the only one that was with me; who was with him I don't know. They never had anything to do with the service. I had an understanding when I went with Spitz that I was to run the service the same way I always ran it.

Mr. WHITE. That is all.

The CHAIRMAN. It may be that Mr. White would like to talk with you some more about this matter, and we would appreciate your co-operation. I want to get just one or two things that I did not get clear as yet.

I wanted to get a list of customers. What was the name of the last operation that you operated?

Mr. PARTNOY. It was on May 2. I think Mr. Goldschein has it—

The CHAIRMAN. What was the name of the company?

Mr. PARTNOY. Standard Distributing Co.

The CHAIRMAN. Where is the list of the people you were selling to?

Mr. PARTNOY. I think Mr. Goldschein has the records.

The CHAIRMAN. Would it be all right if we can secure the list? How many customers did you have when you quit?

Mr. PARTNOY. I think about eight of them.

The CHAIRMAN. Read them out, will you?

Mr. PARTNOY. I don't have it here.

The CHAIRMAN. You know who they are.

Mr. PARTNOY. I know some of them.

The CHAIRMAN. Give us the names of your customers. They paid you big money. You know who they are.

Mr. PARTNOY. There was Kellerman.

The CHAIRMAN. Where is he?

Mr. PARTNOY. Where is he located? I don't know the locations of any of them.

The CHAIRMAN. What is the first name?

Mr. PARTNOY. John F. Kellerman.

The CHAIRMAN. All right.

Mr. PARTNOY. There is Rosenberg, some brothers, Rosenberg Bros.

The CHAIRMAN. All right, where do they operate?

Mr. PARTNOY. I wouldn't know. I didn't know the operation of any of them because they used to call us.

The CHAIRMAN. Give us all the names now.

Mr. PARTNOY. There was Dave Kramer. Dread Finnell. There was Schools.

The CHAIRMAN. What is the first name?

Mr. PARTNOY. Joe and Mike Schools.

Mr. WHITE. Louis Schools?

Mr. PARTNOY. I don't know.

The CHAIRMAN. Who else?

Mr. PARTNOY. That is all I can recall now.

The CHAIRMAN. You can think of the others. Who else?

Mr. PARTNOY. That is about all I can think of now. I would have to have my records to look them over. Then I could tell you.

Mr. GOLDSCHEN. Tigerman?

Mr. PARTNOY. Oh, yes. Tigerman—Joe Tigerman.

The CHAIRMAN. Do you think of any others? They were your eight Western Union customers?

Mr. PARTNOY. Telephone customers.

The CHAIRMAN. Didn't you have some who had ticker service?

Mr. PARTNOY. We haven't had any ticker service since 1947. This was all telephone service.

The CHAIRMAN. The last name of the concern was the Standard News Service?

Mr. PARTNOY. The Standard Distributing Co.

The CHAIRMAN. Let's see if I have it lined up right. You first started out as the Eagle Scratch Sheet back in 1939 when you talked to Mr. Ragen.

Mr. PARTNOY. That is right.

The CHAIRMAN. Then you got \$125 a week drawing allowance. You got that right on up until the time you went in with Spitz; is that right?

Mr. PARTNOY. That is right, plus expenses.

The CHAIRMAN. Did you get any bonuses or anything?

Mr. PARTNOY. At the end of the year, whatever my income tax was, I used to deduct that.

The CHAIRMAN. Deduct what?

Mr. PARTNOY. My income tax as an expense.

The CHAIRMAN. Then did Mr. Ragen send people down to look over your records to see if you kept them properly?

Mr. PARTNOY. I guess it was the regular routine that this man from St. Louis came down.

The CHAIRMAN. After that man from St. Louis quit, did he send somebody around?

Mr. PARTNOY. They never looked at my records. They would just go over it with my customers. I used to send them a report every week.

The CHAIRMAN. About how much you were receiving?

Mr. PARTNOY. Yes; that is right; and my expenses.

The CHAIRMAN. You sent that to Continental Press?

Mr. PARTNOY. In Cleveland at the time.

The CHAIRMAN. That is where the office was, but the wire came from Chicago?

Mr. PARTNOY. That is right.

The CHAIRMAN. That went on until you went in with Spitz and then he had the Trans-America service?

Mr. PARTNOY. That is right.

The CHAIRMAN. About 5 or 6 months afterward the Trans-America service went out of business and you got back on Continental?

Mr. PARTNOY. It was the Mid-West Illinois, which is probably the same kind of service, anyway.

The CHAIRMAN. Did you continue on with the Mid-West Illinois or Continental?

Mr. PARTNOY. The Mid-West Illinois, we got a letter of some kind from hereafter to remit to the General News Service Bureau. We remitted there. I remitted there until the time we closed up.

The CHAIRMAN. That was Continental, too, was it not?

Mr. PARTNOY. It was the same kind of service. Whether it was Continental, I wouldn't know.

Mr. WHITE. You were dealing with the same people all during this period, were you not?

Mr. PARTNOY. The same people. The inside dealings, Spitz made that when I went over there.

The CHAIRMAN. I know, but who did you talk with in Chicago? The same people all the way?

Mr. PARTNOY. We didn't talk to them.

The CHAIRMAN. I know, this man who called you about Wisconsin. What is his name?

Mr. PARTNOY. Bill Lynch. That was when I was with Continental; yes.

The CHAIRMAN. You dealt with the same people ever since you went back with Continental; whatever the name of the company has been, you have been getting the same service?

Mr. PARTNOY. The same kind of service all the time; yes, sir.

The CHAIRMAN. And dealing with the same people?

Mr. PARTNOY. No. There are some new ones who come in once in a while.

The CHAIRMAN. I know, but it is the same office you are dealing with.

Mr. PARTNOY. To my knowledge it would be.

The CHAIRMAN. Mr. Partnoy, are you a native of Kansas City?

Mr. PARTNOY. That is right.

The CHAIRMAN. How did you get your start in this sort of business?

Mr. PARTNOY. I was a telegraph operator and I went to work for them in 1923, the General News Bureau.

The CHAIRMAN. Have you ever had any dealings with Charles Binaggio?

Mr. PARTNOY. No, sir.

The CHAIRMAN. Have you ever been convicted of anything?

Mr. PARTNOY. No, sir.

The CHAIRMAN. Arrested?

Mr. PARTNOY. No, sir; I was arrested once in Kansas City, Kans. We had a place over in the Grund Hotel.

The CHAIRMAN. For bookmaking or what?

Mr. PARTNOY. No; just for the wire service. That was during the time that the—

The CHAIRMAN. Who is supplying the bookmakers here in Kansas City now?

Mr. PARTNOY. I don't know. I have severed all connections. I have my own company now, selling venetian blinds and window shades.

The CHAIRMAN. You have gone out of the business?

Mr. PARTNOY. Yes, sir.

The CHAIRMAN. Sold your equipment?

Mr. PARTNOY. No. Eddie Spitz has the equipment. He took it up to his garage.

The CHAIRMAN. As far as you know, since this court order there is no wire service here?

Mr. PARTNOY. As far as I know. I have never been in position to find out because I am interested in another business now.

The CHAIRMAN. You have gone into another business. All right, Mr. Partnoy, that is all. Thank you, sir.

Mr. HALLEY. I have just one question, Mr. Partnoy. While you were operating with Spitz did your customers come to your office to pay or did you go to their place?

Mr. PARTNOY. I never went to any of the places. Some of them would bring it up to our office and sometimes we would pick it up at the newsstands where we delivered the scratch sheet that we put out.

Mr. HALLEY. Did they pay in cash or by check?

Mr. PARTNOY. Cash.

Mr. HALLEY. Always?

Mr. PARTNOY. Practically always. Except when we were doing out-of-town business they would remit by cashier's check.

Mr. HALLEY. Thank you.

The CHAIRMAN. The committee will stand in recess until 9 o'clock in the morning.

(Whereupon, at 8:05 p. m., the committee recessed until 9 a. m., Thursday, July 20, 1950.)



# INVESTIGATION OF ORGANIZED CRIME IN INTERSTATE COMMERCE

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THURSDAY, JULY 20, 1950

UNITED STATES SENATE,  
SPECIAL COMMITTEE TO INVESTIGATE  
ORGANIZED CRIME IN INTERSTATE COMMERCE,  
*Kansas City, Mo.*

EXECUTIVE SESSION

The committee met, pursuant to recess, at 9 a. m., in court room No. 3, United States Courthouse, Kansas City, Mo., Senator Estes Kefauver (chairman) presiding.

Present: Senators Kefauver and Tobey.

Also present: Rudolph Halley, chief counsel; George H. White and John N. McCormick, investigators.

James W. Connors, St. Louis Crime Commission.

Max H. Goldschein, special assistant to the Attorney General.

The CHAIRMAN. The committee will come to order.

Who do you wish to call first?

Mr. HALLEY. We would call first Mr. Farrell, the former police commissioner.

(No response.)

Mr. HALLEY. Call Mr. McKissick.

The CHAIRMAN. Mr. McKissick, do you solemnly swear the testimony you will give this committee will be the whole truth and nothing but the truth, so help you God?

Mr. McKISSICK. I do.

## TESTIMONY OF HENRY McKISSICK, KANSAS CITY, MO.

Mr. GOLDSCHEIN. What is your full name?

Mr. McKISSICK. Henry McKissick.

Mr. GOLDSCHEIN. Where do you live?

Mr. McKISSICK. 7304 Washington.

Mr. GOLDSCHEIN. Are you a native of the State of Missouri?

Mr. McKISSICK. I have been here about 48 years; since I was 4 years old.

Mr. GOLDSCHEIN. Where were you born?

Mr. McKISSICK. Williamsburg, Kans.

Mr. GOLDSCHEIN. What is your business? What business do you follow?

Mr. McKISSICK. Saloon business.

Mr. GOLDSCHEIN. Do you have any other type of business?

Mr. McKISSICK. No, sir.

Mr. GOLDSCHEIN. What is the name of your saloon?

Mr. McKISSICK. The Jewel Box.

Mr. GOLDSCHEIN. Where is that located?

Mr. McKISSICK. 3322 Troost.

Mr. GOLDSCHEIN. You are engaged in the gambling business or racket?

Mr. McKISSICK. No, sir.

Mr. GOLDSCHEIN. Never at any time?

Mr. McKISSICK. No, sir.

Mr. GOLDSCHEIN. Do you have any interest in any gambling operation?

Mr. McKISSICK. None whatsoever.

Mr. GOLDSCHEIN. Did you know Charlie Binaggio?

Mr. McKISSICK. Yes, sir.

Mr. GOLDSCHEIN. How well did you know him?

Mr. McKISSICK. I knew him about 4 or 5 years.

Mr. GOLDSCHEIN. What was your connection with Binaggio?

Mr. McKISSICK. I took over the leadership of the Fifteenth Street Democratic organization there when our leader died.

Mr. GOLDSCHEIN. Who was that?

Mr. McKISSICK. That was Gilbert Burk. And after he died I ran the organization. When this last election came up we fell out with the Pendergast machine and I joined up with Binaggio to help beat them.

Mr. GOLDSCHEIN. Is that your only connection with it?

Mr. McKISSICK. The only connection, politically.

Mr. GOLDSCHEIN. Politically.

Mr. McKISSICK. That is the only think I ever had to do with him, politically; no business.

Mr. GOLDSCHEIN. How about Charlie Gargotta?

Mr. McKISSICK. None whatsoever.

Mr. GOLDSCHEIN. Never had any business with him at all?

Mr. McKISSICK. No, sir.

Mr. GOLDSCHEIN. Do you know Tano Lacoco?

Mr. McKISSICK. Yes, sir.

Mr. GOLDSCHIEN. How long have you known him?

Mr. McKISSICK. I have known him I guess 35 years.

Mr. GOLDSCHEIN. Did you ever have any business connection with him?

Mr. McKISSICK. No, sir.

Mr. GOLDSCHEIN. Not at any time?

Mr. McKISSICK. No.

Mr. GOLDSCHEIN. Any members of his family?

Mr. McKISSICK. No.

Mr. GOLDSCHEIN. How about James Balestrere?

Mr. McKISSICK. No, sir; no business at all with him.

Mr. GOLDSCHEIN. How long have you known him?

Mr. McKISSICK. I don't know, I would say 12 or 15 years maybe, 10 or 12 years.

Mr. GOLDSCHEIN. Was your association with him intimate?

Mr. McKISSICK. No, sir.

Mr. GOLDSCHEIN. Did you see him very often down at the Fifteenth Street Club?

Mr. McKISSICK. I never saw him there that I remember of.

Mr. GOLDSHEIN. Fifteenth Street Club is the place where Binaggio and Gargotta were murdered, is that what you call the Fifteenth Street Club?

Mr. McKISSICK. Yes, sir. It was my club originally, my courtroom where I was justice of the peace.

Mr. GOLDSHEIN. Just tell us what public offices you have held, Mr. McKissick and how long.

Mr. McKISSICK. I only held one public office.

Mr. GOLDSHEIN. You never went to the legislature?

Mr. McKISSICK. No, sir. I was justice of the peace for one term.

Mr. GOLDSHEIN. When was that?

Mr. McKISSICK. In 1944-48.

Mr. GOLDSHEIN. How long did you know Balestrere?

Mr. McKISSICK. About 10 or 11 years.

Mr. GOLDSHEIN. Did he come to the Fifteenth Street Club very often?

Mr. McKISSICK. I have never seen him. I don't remember seeing him. He might have been there.

Mr. GOLDSHEIN. For the record tell us what street this Fifteenth Street Club is on.

Mr. McKISSICK. 716 and 718 East Fifteenth Street. It is now known as Truman Road.

Senator TOBEY. Are you going to change that to Binaggio Road?

Mr. McKISSICK. I don't think so.

Mr. GOLDSHEIN. Did you ever have any business with "Snag" Klein?

Mr. McKISSICK. No, sir.

Mr. GOLDSHEIN. Never?

Mr. McKISSICK. No, sir.

Mr. GOLDSHEIN. How long have you known Snag Klein?

Mr. McKISSICK. Since he was a boy.

Mr. GOLDSHEIN. You were in that last vote fraud investigation?

Mr. McKISSICK. I was.

Mr. GOLDSHEIN. Were you indicted with that crew?

Mr. McKISSICK. Yes, sir.

Mr. GOLDSHEIN. Were you tried or dismissed?

Mr. McKISSICK. Tried and acquitted.

Mr. GOLDSHEIN. Tried and acquitted. You have heard a great deal discussed in the newspapers about the theft of those ballots, have you not?

Mr. McKISSICK. Yes, sir; I have.

Mr. GOLDSHEIN. From the county courthouse?

Mr. McKISSICK. That is right.

Mr. GOLDSHEIN. Did you ever hear anybody discuss who took those ballots?

Mr. McKISSICK. No; I didn't.

Mr. GOLDSHEIN. Did you ever hear anybody discuss taking the ballots?

Mr. McKISSICK. No, sir.

Mr. GOLDSHEIN. Did you ever hear anybody discuss the fact that they ought to be taken or ought to be stolen?

Mr. McKISSICK. No, sir.

Mr. GOLDSHEIN. Did you ever hear it discussed at all at any time?

Mr. McKISSICK. I know the only case, in my brother's case he was acquitted, they had the ballots there, he had the ballot box there and never even opened it. They never even looked into the ballots.

Mr. GOLDSCHIEIN. Never even looked into the ballots?

Mr. McKISSICK. Never even opened the sack.

Mr. GOLDSCHIEIN. When was this?

Mr. McKISSICK. During my brother's trial.

Mr. GOLDSCHIEIN. Was that in the Federal Building here?

Mr. McKISSICK. Yes, sir. They had the ballots in the precinct where they tried and had the ballots; they didn't even use them.

Mr. GOLDSCHIEIN. I see. They then offered ballots that were stolen?

Mr. McKISSICK. The ones that were not stolen they didn't use when they had a chance to use them.

Mr. GOLDSCHIEIN. Was there anything wrong with the ballots in the boxes they had here at that time?

Mr. McKISSICK. I don't know.

Mr. GOLDSCHIEIN. But there was supposed to be something wrong with the ballots in the boxes that were locked up in the courthouse, isn't that so?

Mr. McKISSICK. That is what they said.

Mr. GOLDSCHIEIN. That was the charge generally.

Mr. McKISSICK. Yes, it was.

Mr. GOLDSCHIEIN. Snag Klein I believe was one of those convicted on that vote fraud, wasn't he?

Mr. McKISSICK. Yes; he was the only one convicted.

Mr. GOLDSCHIEIN. Somebody else was convicted with him, was there not?

Mr. McKISSICK. Yes; that is right.

Mr. GOLDSCHIEIN. Who was he?

Mr. McKISSICK. I think his name was Burk.

Mr. GOLDSCHIEIN. The first name?

Mr. McKISSICK. I can't think of it. I know him well, but I can't think of it. It was Burk, though, the last name.

Mr. GOLDSCHIEIN. Do you know George Clarke?

Mr. McKISSICK. Yes, sir.

Mr. GOLDSCHIEIN. Did you ever have any business with George Clarke?

Mr. McKISSICK. No, sir.

Mr. GOLDSCHIEIN. No business of any kind?

Mr. McKISSICK. No, sir.

Mr. GOLDSCHIEIN. Did you ever see George Clarke about any tax assessments?

Mr. McKISSICK. Yes, sir.

Mr. GOLDSCHIEIN. Who did you see him about?

Mr. McKISSICK. I don't remember. Quite a number of times.

Mr. GOLDSCHIEIN. Businessmen?

Mr. McKISSICK. Businessmen, and some of them were not businessmen.

Mr. GOLDSCHIEIN. Did you ever have George Clarke fix any of those tax assessments, I mean straighten them out?

Mr. McKISSICK. Yes, sir.

Mr. GOLDSCHIEIN. Did you ever see anybody else to see George Clarke?

Mr. McKISSICK. No, sir. I went myself sometimes.

Mr. GOLDSCHIEIN. You went directly to him?

Mr. McKISSICK. Yes, sir.

Mr. GOLDSCHIEIN. Did you ever see any of his deputies?

Mr. McKISSICK. No, sir.

Mr. GOLDSCHIEIN. Did anybody ever offer to pay any money to get their tax assessments reduced?

Mr. McKISSICK. Not to me.

Mr. GOLDSCHIEIN. Did you ever hear of anybody else who paid any money?

Mr. McKISSICK. No, sir.

Mr. GOLDSCHIEIN. Did you ever hear that that was done?

Mr. McKISSICK. Well, I don't remember hearing it.

Mr. GOLDSCHIEIN. Mr. McKissick, you get around quite a bit in politics, do you not?

Mr. McKISSICK. Yes, sir.

Mr. GOLDSCHIEIN. You know a lot of people.

Mr. McKISSICK. Yes, sir.

Senator TOBEY. Is he a Democrat or a Republican?

Mr. GOLDSCHIEIN. I never found out. Senator. Tell us what you are.

Mr. McKISSICK. I am a Democrat, and a good one.

Mr. GOLDSCHIEIN. Mr. McKissick, you get around quite a bit. Has anybody ever discussed the raising of these tax assessments and lowering them for a fee?

Mr. McKISSICK. I have never heard them talk about it, no.

Mr. GOLDSCHIEIN. Did you ever hear that said?

Mr. McKISSICK. I don't remember it if I did. I don't remember it said. I know that they have raised taxes and they have cut them. I don't remember anybody talking about it.

Mr. GOLDSCHIEIN. You never heard anybody say that there was a pay-off?

Mr. McKISSICK. No, sir; I have never heard that.

Mr. GOLDSCHIEIN. You never heard that at all?

Mr. McKISSICK. No, sir.

Mr. GOLDSCHIEIN. You have learned about it recently, haven't you, you have read about it?

Mr. McKISSICK. Only what I read in the Star. That is the only paper we have. You can't read it in any other paper.

Mr. GOLDSCHIEIN. Is that the only time you ever heard or read anything about it?

Mr. McKISSICK. I don't remember ever hearing anything about it.

Mr. GOLDSCHIEIN. How about Walter Rainey; do you know him?

Mr. McKISSICK. Yes, sir.

Mr. GOLDSCHIEIN. How long have you known him?

Mr. McKISSICK. Twenty-five years maybe.

Mr. GOLDSCHIEIN. What business is he in?

Mr. McKISSICK. I don't know what business he is in now.

Mr. GOLDSCHIEIN. What business was he in?

Mr. McKISSICK. When I knew him I think he was a night-club operator; the only business I have ever known him to be in.

Mr. GOLDSCHIEIN. He is a gambler, too, isn't he?

Mr. McKISSICK. He might have gambled on the side. I couldn't prove he was a gambler.

Mr. GOLDSCHEIN. I am not asking you what the proof is. I am talking about what people generally refer to him as. Wasn't his reputation as a gambler?

Mr. McKISSICK. I have been to his night club many a time. I never gambled with him in my life and I never seen him gamble. So I wouldn't know if he was a gambler.

Mr. GOLDSCHEIN. He is generally reputed to be a gambler?

Mr. McKISSICK. The Star calls him a gambler.

Mr. GOLDSCHEIN. Is that the only place you ever heard it?

Mr. McKISSICK. I don't remember.

Mr. GOLDSCHEIN. Did you ever place a bet with Walter Rainey?

Mr. McKISSICK. No, sir.

Mr. GOLDSCHEIN. Never?

Mr. McKISSICK. No, sir.

Mr. GOLDSCHEIN. Did you know anybody else who did?

Mr. McKISSICK. No, sir.

Mr. GOLDSCHEIN. You never heard anybody say that Walter—

Mr. McKISSICK. I never heard them call him a gambler.

Mr. GOLDSCHEIN. Or a bookmaker?

Mr. McKISSICK. No; I never heard them say he was a gambler of any kind. He might book, and possibly he does, but I never seen him. I couldn't prove that he did.

Mr. GOLDSCHEIN. Mr. McKissick, you are quibbling, aren't you?

Mr. McKISSICK. No.

Mr. GOLDSCHEIN. There are a lot of things you know that you never saw.

Mr. McKISSICK. Well, yes. I never saw him gamble. I couldn't say he was a gambler.

Mr. GOLDSCHEIN. But he is generally reputed to be a gambler. You know that, don't you?

Mr. McKISSICK. Well—

Mr. GOLDSCHEIN. He doesn't make any bones about it, does he?

Mr. McKISSICK. I don't think he does. I am telling you the truth. I wouldn't know he was a gambler. I never saw him gamble.

Mr. GOLDSCHEIN. Do you have any other place of business other than the Jewel Box?

Mr. McKISSICK. Yes, sir.

Mr. GOLDSCHEIN. What is that?

Mr. McKISSICK. I have McKissick's tavern at 1003 East Thirty-first Street. I just acquired these two places in the last 6 months.

Mr. GOLDSCHEIN. Was there ever a bookmaking operation in either one of those places?

Mr. McKISSICK. No, sir.

Mr. GOLDSCHEIN. Were you ever propositioned by anybody to have a book put in there?

Mr. McKISSICK. No, sir; never.

Mr. GOLDSCHEIN. What other financial interest do you have other than those two taverns?

Mr. McKISSICK. I don't have any.

Mr. GOLDSCHEIN. None at all?

Mr. McKISSICK. No. I just went into the insurance business here. I just got my broker's license here about the 17th.

Mr. GOLDSCHEIN. Prior to these taverns—who are you in the brokerage business with?

Mr. McKISSICK. I am a broker myself.

Mr. GOLDSCHEIN. Are you in business with anybody else or on your own?

Mr. McKISSICK. I am on my own.

Mr. GOLDSCHEIN. What business were you in prior to these taverns that you have?

Mr. McKISSICK. I was with the Goetz Brewery for 14 years.

Mr. GOLDSCHEIN. And you had no other financial interests other than the Goetz Brewery and these taverns?

Mr. McKISSICK. I was justice of the peace.

Mr. GOLDSCHEIN. That is not a business. That is a public office.

Mr. McKISSICK. Yes.

Mr. GOLDSCHEIN. Other than that you had no other financial interest?

Mr. McKISSICK. No, sir.

Mr. GOLDSCHEIN. As a beer salesman and then these two taverns?

Mr. McKISSICK. That is right.

Mr. GOLDSCHEIN. Do you own any real estate?

Mr. McKISSICK. My home. I am paying on it. I don't own it all. I owe about \$4,000.

Mr. GOLDSCHEIN. Anybody else in your family employed?

Mr. McKISSICK. No; just me and my wife. My wife is not employed.

Mr. GOLDSCHEIN. Has she been?

Mr. McKISSICK. No. She was a telegraph operator before we got married. She is not now.

Mr. GOLDSCHEIN. Did you bring your tax returns with you?

Mr. McKISSICK. No. I tried to locate my books. You asked me for my books. The Treasury Department has had them since the 15th of September or October. I don't have them.

Mr. GOLDSCHEIN. When the grand jury first convened here?

Mr. McKISSICK. When they first came here they took my books. I think the tax receipts are right with the other stuff.

Mr. GOLDSCHEIN. They are safe. We won't let them get away. We will give them back to you.

Mr. McKissick, did you raise any campaign funds for that last campaign that you were talking about with Charles Binaggio?

Mr. McKISSICK. Yes; I raised funds with him.

Mr. GOLDSCHEIN. About how much?

Mr. McKISSICK. I would say around \$1,500 or \$1,800.

Mr. GOLDSCHEIN. Who did you raise that money from?

Mr. McKISSICK. Businessmen out in the district, in my ward.

Mr. GOLDSCHEIN. You confined it to your ward?

Mr. McKISSICK. Mostly, yes. A few businessmen outside the ward gave me \$100 or \$50 or something like that.

Mr. GOLDSCHEIN. Was everybody that you got money from a businessman?

Mr. McKISSICK. As far as I know.

Mr. GOLDSCHEIN. Did you get any money from any gamblers, any racket boys? You have been a magistrate here, a justice of the peace. You know the score. You know who is and who isn't.

Mr. McKISSICK. Yes. Before he died I used to get a little campaign money from Bud Tralle.

Mr. GOLDSCHEIN. He is a numbers operator?

Mr. McKISSICK. He used to be. He is dead now.

Mr. GOLDSCHEIN. Yes. His nephew took over, Schaeffer McBride. That is the outfit you mean?

Mr. McKISSICK. That is right.

Mr. GOLDSCHEIN. How much did you get from Bud Tralle, by the way?

Mr. McKISSICK. I think I got \$500 from him once or twice.

Mr. GOLDSCHEIN. Once or twice in one campaign?

Mr. McKISSICK. No, no. In each campaign. Not always. Sometimes I didn't get anything from him.

Mr. GOLDSCHEIN. In this last campaign who else did you get any money from, the ones when you tied up with Binaggio?

Mr. McKISSICK. Gamblers, you mean?

Mr. GOLDSCHEIN. Yes, sir.

Mr. McKISSICK. I didn't. That wasn't left to me. I didn't see any gamblers.

Mr. GOLDSCHEIN. Tralle was the only one that you got any money from, and you got \$500 from him?

Mr. McKISSICK. He was a boyhood friend of mine. I knew him all my life and I happened to be out in that district and that is the reason I got some from him.

Mr. GOLDSCHEIN. Was Tralle ever arrested on his numbers operations that you know of?

Mr. McKISSICK. Many a time.

Mr. GOLDSCHEIN. Who was he arrested by?

Mr. McKISSICK. The police.

Mr. GOLDSCHEIN. And brought to the police station?

Mr. McKISSICK. Yes.

Mr. GOLDSCHEIN. What was your jurisdiction as a magistrate, Mr. McKissick?

Mr. McKISSICK. I handled all civil cases.

Mr. GOLDSCHEIN. All civil. No criminal at all?

Mr. McKISSICK. No criminal cases at all, very few of them.

Mr. GOLDSCHEIN. Sir?

Mr. McKISSICK. Very few of them.

Mr. GOLDSCHEIN. Mr. McKissick, do you know Pat Noonan?

Mr. McKISSICK. Yes, sir.

Mr. GOLDSCHEIN. How long have you known him?

Mr. McKISSICK. About 30 years.

Mr. GOLDSCHEIN. Was he active in this last campaign that you and Binaggio were interested in?

Mr. McKISSICK. I think he was; not here, he wasn't active.

Mr. GOLDSCHEIN. Did you ever give Pat Noonan any campaign funds?

Mr. McKISSICK. Not a nickel.

Mr. GOLDSCHEIN. Are you sure about that?

Mr. McKISSICK. Positive.

Mr. GOLDSCHEIN. At no time?

Mr. McKISSICK. No, sir. I never gave Pat Noonan a nickel in my life.

Mr. GOLDSCHEIN. Did you ever give it to anybody else to give to him?

Mr. McKISSICK. No, sir.

Mr. GOLDSHEIN. Were you present when anybody gave him any money?

Mr. McKISSICK. I was not.

Mr. GOLDSHEIN. Did you ever meet with Binaggio and Pat Noonan?

Mr. McKISSICK. Yes; I met with them.

Mr. GOLDSHEIN. Where?

Mr. McKISSICK. At the club.

Mr. GOLDSHEIN. Fifteenth Street Club?

Mr. McKISSICK. And in Jefferson City; I saw them down there too.

Mr. GOLDSHEIN. What did you go to Jefferson City for?

Mr. McKISSICK. Oh, different patronage. To go down and try to get a few jobs.

Mr. GOLDSHEIN. Who did you see when you went to Jefferson City?

Mr. McKISSICK. I would see the Governor sometimes, sometimes somebody else in other departments.

Mr. GOLDSHEIN. What kind of jobs were you particularly interested in, Mr. McKessick?

Mr. McKISSICK. Clerks' jobs.

Mr. GOLDSHEIN. Clerks?

Mr. McKISSICK. Clerks, or State grain inspectors or any kind of a State job.

Mr. GOLDSHEIN. Just a State job?

Mr. McKISSICK. Yes.

Mr. GOLDSHEIN. Did you ever see the Governor about the police board here?

Mr. McKISSICK. I think I did talk to him once.

Mr. GOLDSHEIN. What was that with reference to?

Mr. McKISSICK. I had a couple of names.

Mr. GOLDSHEIN. For what?

Mr. McKISSICK. I had a couple of names to give him.

Mr. GOLDSHEIN. For members?

Mr. McKISSICK. Endorsement.

Mr. GOLDSHEIN. As members of the police board?

Mr. McKISSICK. Yes, sir.

Mr. GOLDSHEIN. Who were they?

Mr. McKISSICK. One of them was Bill Stone, who used to be the head of the American Legion here in the State. And I think the other one I asked him not to replace, Milligan. I think that was one of them.

Mr. GOLDSHEIN. You wanted Tuck Milligan; is that it?

Mr. McKISSICK. Yes, sir. He is one of the finest fellows who ever walked. I wanted him on there.

Mr. GOLDSHEIN. When was that you went to see him about Tuck Milligan?

Mr. McKISSICK. I don't know. When the blow-off came here and they started talking about replacing him.

Mr. GOLDSHEIN. That was while this grand jury was on the early part of this year?

Mr. McKISSICK. Yes, I think it was.

Mr. GOLDSHEIN. Did you tell the Governor why you wanted Milligan on?

The CHAIRMAN. Milligan was already on the board.

Mr. GOLDSHEIN. Why he wanted him to stay?

Mr. McKISSICK. Yes.

Mr. GOLDSCHEIN. Did you tell him why you wanted him to stay?

Mr. McKISSICK. I told him I thought he was as fine a man as could be appointed to the police board and I didn't think he need replacing.

Mr. GOLDSCHEIN. Was that before Binaggio was murdered?

Mr. McKISSICK. No.

Mr. GOLDSCHEIN. That was after?

Mr. McKISSICK. Yes.

Mr. GOLDSCHEIN. Did you ever discuss Milligan with Charlie Binaggio?

Mr. McKISSICK. No, I don't remember. I don't remember discussing him with him.

Mr. GOLDSCHEIN. Milligan was interested in a sort of liberal, open town, wasn't he?

Mr. McKISSICK. I wouldn't think so; no. I wouldn't say that.

Mr. GOLDSCHEIN. Do you know his particular inclination toward open or closed towns?

Mr. McKISSICK. I never talked to him about that.

Mr. GOLDSCHEIN. Did it make any difference to you whether the town was open or closed?

Mr. McKISSICK. Not directly; no.

Mr. GOLDSCHEIN. How about indirectly? Are you interested?

Mr. McKISSICK. No, not as far as being in business or anything.

Mr. GOLDSCHEIN. As a citizen were you interested?

Mr. McKISSICK. I think a town is better off if it is a little open.

Mr. GOLDSCHEIN. What do you mean by a little open?

Mr. McKISSICK. This town has never been wide open, not in the last 10 years, I would say.

Mr. GOLDSCHEIN. You mean you like it the way it has been operating in the past 10 years?

Mr. McKISSICK. I don't like it too open like it was years ago, and I don't think it has been open here in the last 10 years.

Mr. GOLDSCHEIN. You know of all these gambling houses. You have read of all these gambling houses which have been operating around here in the past 10 years, haven't you?

Mr. McKISSICK. Yes, a lot of them weren't right. Some of them have been closed for years.

Mr. GOLDSCHEIN. They would close one place and open another. Isn't that the way it operates?

Mr. McKISSICK. I don't know.

Mr. GOLDSCHEIN. You have heard about it, though, have you not?

Mr. McKISSICK. I read about it; yes.

Mr. GOLDSCHEIN. Your idea is that they ought to have some gambling houses in Kansas City?

Mr. McKISSICK. I don't think they should be closed as tight as it has been.

Mr. GOLDSCHEIN. As tight as it has been when?

Mr. McKISSICK. In this town.

Mr. GOLDSCHEIN. You mean as tight as it is now?

Mr. McKISSICK. Yes.

Mr. GOLDSCHEIN. You don't think it ought to be that tight?

Mr. McKISSICK. No, sir.

Mr. GOLDSCHEIN. Just how tight? Give us an idea of how tight you think it ought to be.

Mr. McKISSICK. I don't believe that it should be closed altogether like it is.

Mr. GOLDSCHEIN. Do you think you ought to have a few gambling houses open?

Mr. McKISSICK. I think so myself.

Mr. GOLDSCHEIN. You think you ought to have some bookmakers?

Mr. McKISSICK. I think so.

Mr. GOLDSCHEIN. You think you ought to have some numbers operators?

Mr. McKISSICK. I think so. It put 900 Negroes out of work out there, and they are out stealing now.

Mr. GOLDSCHEIN. You mean there were 900 Negroes employed in the numbers racket?

Mr. McKISSICK. Yes, sir.

Mr. GOLDSCHEIN. Who employed those?

Mr. McKISSICK. Policy operators, I guess.

Mr. GOLDSCHEIN. Nine hundred?

Mr. McKISSICK. I would say that many, all over the whole district here, Kansas, Missouri.

Mr. GOLDSCHEIN. Outside of McBride and Schaeffer, who operates these numbers rackets?

Mr. McKISSICK. I don't know who operates them.

Mr. GOLDSCHEIN. You have an idea.

Mr. McKISSICK. No; I don't know who operates them now.

Mr. GOLDSCHEIN. Mr. McKissick, you are a public official; you were a magistrate at one time. Give us your idea about this gambling operation, how you think it ought to be operated. Do you think the racket boys ought to continue—

Mr. McKISSICK. No, sir; I don't believe that.

Mr. GOLDSCHEIN. How do you think it ought to be operated?

Mr. McKISSICK. I don't see anything worse in going in betting \$2 on a horse in a barber shop than I would at a race track. I don't see why it is a crime one place and not the other.

Mr. GOLDSCHEIN. Do you think any of this \$2 that you bet in a barber shop is used for graft?

Mr. McKISSICK. I don't know.

Mr. GOLDSCHEIN. What is your idea about it? We want to get some ideas from you.

Mr. McKISSICK. I don't think it is.

Mr. GOLDSCHEIN. You don't think any of it is ever paid as graft?

Mr. McKISSICK. You might pay some of it as campaign money or something, but I don't think it is for graft.

Mr. GOLDSCHEIN. You don't think any of that money is used to pay off a public official?

Mr. McKISSICK. I don't think so; no.

Mr. GOLDSCHEIN. You don't think any public official around in Kansas City ever took any money?

Mr. McKISSICK. Not that I know of, they never.

Mr. GOLDSCHEIN. You mean never at no time?

Mr. McKISSICK. I said not that I know of.

Mr. GOLDSCHEIN. We want to know what is your idea of it, not what you know, what you believe to be the condition, regardless of

what—you may not know an individual who did it, but you have some ideas on that, haven't you? We all have. You have been around. You know the score. We just want ideas from you. We understand you don't know who any particular individual who carries the satchel, is that what you mean?

Mr. McKISSICK. Yes.

Mr. GOLDSCHEIN. You have ideas about whether or not a place can operate without somebody closing their eyes.

Mr. McKISSICK. I wouldn't know. I don't think—I imagine they overlooked a lot of little things like that.

Mr. GOLDSCHEIN. How about big ones?

Mr. McKISSICK. I think most of them are operated under closed doors and locked doors.

Mr. GOLDSCHEIN. Don't you think the police are trying to close them?

Mr. McKISSICK. I think they have. They have raided them many a time, many a place out there.

Mr. GOLDSCHEIN. Do you think the police ought to continue to raid or let some of them run?

Mr. McKISSICK. I don't know. I just think that has killed this town. This town is the deadliest town in the country now. Your merchants and everybody else is noticing it because it has closed it.

Mr. GOLDSCHEIN. That is what the committee is interested in. Tell us how it kills a town by closing the gambling. Do you include the red light district in that?

Mr. McKISSICK. Yes, I would.

Mr. GOLDSCHEIN. The committee is probably interested in that. Would you be interested in that?

(Discussion off the record.)

Senator TOBEY. Have you got any children?

Mr. McKISSICK. No, sir. I have a lot of nieces and nephews, and they are all grown up to be good people.

Mr. GOLDSCHEIN. Mr. McKissick, do you have an interest in this gambling place at Fifteenth and Charlotte?

Mr. McKISSICK. No, sir.

Mr. GOLDSCHEIN. You never had any interest?

Mr. McKISSICK. No, sir.

Mr. GOLDSCHEIN. Do you know where it is?

Mr. McKISSICK. Yes, sir.

Mr. GOLDSCHEIN. Who operates it?

Mr. McKISSICK. I think Billy Genova, right across the street from my club.

Mr. GOLDSCHEIN. It is a crap game, isn't it?

Mr. McKISSICK. It was for a couple of months. They had a run over there. I don't know. It is closed now.

Mr. GOLDSCHEIN. Have you ever been in it?

Mr. McKISSICK. No, sir.

Mr. GOLDSCHEIN. Never been in it at all?

Mr. McKISSICK. I was in that room before it was—

Mr. GOLDSCHEIN. While it was operating?

Mr. McKISSICK. There used to be a Democratic clubroom there years ago. The Fifteenth Street Democratic Club, my opponents out there in every primary election they used that out there as a clubroom.

Mr. GOLDSCHEIN. You say you never had any financial interest in that at all?

Mr. McKISSICK. No.

Mr. GOLDSCHEIN. And have never been in it while it was operating; is that right?

Mr. McKISSICK. That is right.

Mr. GOLDSCHEIN. Does Clark have an interest in that? George Clark?

Mr. McKISSICK. Not that I know of.

Mr. GOLDSCHEIN. You never heard of that?

Mr. McKISSICK. No, sir.

Mr. GOLDSCHEIN. How about Binaggio?

Mr. McKISSICK. I don't know. The only ones I ever saw over there were around the corner there and they used to come up to my club all the time. I just figured they were there, Jack Williams and Willie Genova. Those are the only ones I know of. Whether they owned it or worked there I don't know.

Mr. HALLEY. That is all.

Senator TOBEY. Do you know Mr. Pendergast?

Mr. McKISSICK. Yes.

Senator TOBEY. How well?

Mr. McKISSICK. I have known him about 25 or 30 years.

Senator TOBEY. Is he with your group in the Democratic Party?

Mr. McKISSICK. Not for the past few years he hasn't been. We have been opposite.

Senator TOBEY. I see. So there is your group or Mr. Binaggio's group and Mr. Pendergast's group; is that right?

Mr. McKISSICK. Yes, sir.

Senator TOBEY. Is Mr. Pendergast the leader of the other group?

Mr. McKISSICK. Yes, sir.

Senator TOBEY. How old a man is he?

Mr. McKISSICK. Fifty-four or 55 I would say.

Senator TOBEY. What is his business?

Mr. McKISSICK. He is a lawyer.

Senator TOBEY. Practicing lawyer. What kind of cases?

Mr. McKISSICK. I don't know. I never saw him try one.

Senator TOBEY. Has he ever tried one in court?

Mr. McKISSICK. Yes; I guess he does, but I have never been in a courtroom where he was.

Senator TOBEY. Has he inherited his father's mantel?

Mr. McKISSICK. Yes, sir.

Senator TOBEY. Has he as much power as his father had?

Mr. McKISSICK. No, sir.

Senator TOBEY. Is he as attractive a personality as his father was?

Mr. McKISSICK. It was his uncle.

Senator TOBEY. I beg your pardon. Is he as attractive a personality?

Mr. McKISSICK. No, sir.

Senator TOBEY. So the leadership is in poor hands in your judgment.

Mr. McKISSICK. I would say so; yes, sir.

Senator TOBEY. You have gone into the insurance business recently?

Mr. McKISSICK. Yes, sir.

Senator TOBEY. What kind of insurance?

Mr. McKISSICK. All kinds.

Senator TOBEY. How long have you been in the insurance business?

Mr. McKISSICK. I just went in it.

Senator TOBEY. Prior to that time what experience had you in the insurance business?

Mr. McKISSICK. Very little.

Senator TOBEY. How did you happen to go into it then?

Mr. McKISSICK. I am trying to sell my saloons and get out of it.

Senator TOBEY. And get in the insurance business?

Mr. McKISSICK. Yes, sir.

Senator TOBEY. Are you getting out of the saloon business because it is unattractive?

Mr. McKISSICK. It is making an old man out of me, staying around until 1 or 2 o'clock in the morning. I can't take it like I used to. There is not the money in it any more. The places lost money.

The CHAIRMAN. Mr. McKissick, after the primary and after Governor Smith was elected, did you and Binaggio and others of your group have conferences about ways of getting Chief Johnson out as chief of police and loosening up the police department here?

Mr. McKISSICK. No, sir; not me. I wasn't there if they had that meeting.

The CHAIRMAN. You knew that is what all of you wanted to do right after the election?

Mr. McKISSICK. Not me.

The CHAIRMAN. Binaggio and the other leaders?

Mr. McKISSICK. They might have, but not me.

The CHAIRMAN. You knew that?

Mr. McKISSICK. I never did try to fire Johnson.

The CHAIRMAN. Did you not want to get so-called liberal people on the police board who would open up the city some? That was part of the plan, was it not?

Mr. McKISSICK. They never talked that over with me. Any of the jobs—

The CHAIRMAN. What kind of jobs were you trying to get?

Mr. McKISSICK. I tried to get a few jobs on the police department and a few clerks. I did manage to get a few janitors, a couple of janitors and an elevator operator. That is about all. We figured we were entitled to a few jobs. We won the election and the Republicans had fired all of our people previous to that. We figured a few of the boys wanted to get reinstated but they were all good policemen.

The CHAIRMAN. How many votes did the Binaggio group deliver, your group, or did you deliver in the primary, 30,000 or 35,000?

Mr. McKISSICK. I think around 25,000, 27,000.

The CHAIRMAN. Then how many is the Pendergast group good for?

Mr. McKISSICK. I think we beat them by five or six thousand.

The CHAIRMAN. The Binaggio group is a sort of combination of different groups, the Shannon group and others?

Mr. McKISSICK. Yes. When they organized he had 11 or 12 precincts down here on the north side and I had the second ward and part of the fourth, and a few precincts in the third. I joined up with him for that one election.

The CHAIRMAN. Then Shannon joined up with him?

Mr. McKISSICK. Shannon went with him on it.

The CHAIRMAN. How many votes did you have in your machine?

Mr. McKISSICK. The vote for Truman was 8,500 to 1,300. 8,500 Democrats, 1,300 Republicans. That was the second ward. Then I had a few precincts in the fourth and third wards.

The CHAIRMAN. What was the idea of the ballot theft? Why did somebody steal the ballots, do you know?

Mr. McKISSICK. I don't know. I really don't. Like I said awhile ago, the precincts they did try had the ballots there and they didn't even use them.

The CHAIRMAN. Did you ever hear any discussion about why they would want to get those ballots and burn them?

Mr. McKISSICK. No, sir; I never did.

The CHAIRMAN. Do you have any idea about who got them?

Mr. McKISSICK. No, sir; I have no idea in the world.

The CHAIRMAN. What is your theory about why Binaggio and Gargotta were killed? I know it is wild speculation.

Mr. McKISSICK. I wouldn't know, I swear.

The CHAIRMAN. Have you heard anybody discuss the matter who knew anything about it?

Mr. McKISSICK. No, sir.

The CHAIRMAN. You do not have any idea who killed him?

Mr. McKISSICK. No, sir.

The CHAIRMAN. I believe that is all.

Mr. HALLEY. I have a few questions after you, Senator Tobey.

Senator TOBEY. When you approached these taxing authorities for readjustments for some of your friends, what basis and what argument did you use to get these readjustments?

Mr. McKISSICK. Lots of times a fellow would fail to make a return on his merchants' and manufacturers' tax. The board of equalization estimates and then they double it and then they penalize him. That is what most of them were on. They would be penalties where it would be an old piece of property, and old house or something, and they would want it cut, and it should have been cut.

Senator TOBEY. You came in as a friend to explain these inconsistencies?

Mr. McKISSICK. Political friends of mine, they would come to me, the best people.

Senator TOBEY. In this group that you would deliver these votes on in the last election, you mentioned so many Democrats and so many Republicans. What is the modus operandi? How do you herd up those votes? How do you know they are going to come through?

Mr. McKISSICK. Because they are Democrats.

Senator TOBEY. They are Democrats, but you have two schools of them here.

Mr. McKISSICK. Yes.

Senator TOBEY. How do you know they are going to go your way?

Mr. McKISSICK. I have been in this one ward all my life and most of my precinct captains have too. Most of them live right in the precinct all their lives, and they have done political favors for their neighbors and the voters in that district, and when election time comes—

Senator TOBEY. Are votes bought for cash in Kansas City?

Mr. McKISSICK. Are votes bought?

Senator TOBEY. Yes.

Mr. McKISSICK. I wouldn't know.

Senator TOBEY. Did you ever know of any being bought?

Mr. McKISSICK. No; I wouldn't know.

Senator TOBEY. This man Slaughter who ran for Congress—is that his name?

Mr. McKISSICK. Yes, sir.

Senator TOBEY. He was defeated, was he not?

Mr. McKISSICK. Yes, sir.

Senator TOBEY. It was in connection with that defeat that these ballots were cast, wasn't it?

Mr. McKISSICK. I didn't hear that.

Senator TOBEY. These stolen ballots were in the contest in which Slaughter ran?

Mr. McKISSICK. Yes.

Senator TOBEY. The administration in Washington was opposed to Slaughter, wasn't it?

Mr. McKISSICK. Yes, sir.

Senator TOBEY. In your judgment was Slaughter elected fairly and gypped out of it?

Mr. McKISSICK. I do not think so.

Senator TOBEY. Is there any evidence to that effect in your judgment?

Mr. McKISSICK. No, sir.

The CHAIRMAN. Is that the place where you said they had some ballots from some wards in and did not open them?

Mr. McKISSICK. It was my ward.

The CHAIRMAN. In these other wards, though, they had some doubt about whether those ballots—

Mr. McKISSICK. There were some in my ward that were missing. Some of the ballots in my ward were missing, but where they had the ballots in the trials they didn't use them.

Senator TOBEY. Mr. McKissick, you as an American citizen, with great intelligence—I pay you that tribute by your answers here today—in your judgment must know there was some evil in connection with the election; otherwise the ballots would not have been disposed of. It is elementary, is it not? A school child would know that, would he not?

Mr. McKISSICK. I imagine that is what everybody thinks.

Senator TOBEY. Why did they go to the pains of taking a chance of being caught committing a crime unless there was some reason for doing it?

Mr. McKISSICK. There were other people who had reasons.

Senator TOBEY. What is that?

Mr. McKISSICK. Other people probably had reasons to want to throw a reflection on the organization here too.

Senator TOBEY. Who, for instance?

Mr. McKISSICK. A lot of people.

Senator TOBEY. That is not definite.

Mr. McKISSICK. No; I am not definite.

Senator TOBEY. Can you not be definite?

Mr. McKISSICK. No.

Senator TOBEY. Are you coming through and opening up and giving us everything you know how, trying to find something to help this committee on, hating evil like hell itself and outraged by the inde-

cencies and improprieties of crooked politicians and wanting to see this Nation a nation wherein righteousness prevails, or are you playing a game so that you are on the same level for revenue or political advantage? What is it? Is McKissick a man who has a great zeal for righteousness in his soul or is he playing the game on the lower levels because it suits his purpose?

Mr. McKISSICK. No, sir; I am as good a living man as anybody else.

Senator TOBEY. I did not ask that. Do you feel a hatred toward all this chicanery, toward the numbers racket, toward prostitution, toward anything that is evil and anti-Christ?

Mr. McKISSICK. No; I don't.

Senator TOBEY. Why do you not?

Mr. McKISSICK. Because I don't.

Senator TOBEY. Why do you not feel that way? What is your church? Are you a Catholic or Protestant?

Mr. McKISSICK. I don't go to church.

Senator TOBEY. Why do you not? You know what decency is and righteousness is, do you not?

Mr. McKISSICK. Yes; I do.

Senator TOBEY. Then knowing that in your heart, do you not feel hatred of anything that spoils this country? It is a fair country and decent men let it be so. You are only going to live 60 like the rest of us. Some day you and I are going to meet our God. What are you going to say when you are asked, "What were you doing, Mr. McKissick, down in the twentieth century with the rottenness going on, seeking dirty, paltry money?" What are you going to say, McKissick?

Mr. McKISSICK. I never took any dirty money.

Senator TOBEY. I did not say that. But your influence is either for it or against it. None of us are neutral. You are either for these things or against them.

Mr. McKISSICK. I was born and raised down there, that is why, and I know those people, and I am just not against my people that I know.

Senator TOBEY. No matter how they play the game?

Mr. McKISSICK. I don't care.

Senator TOBEY. That is all right.

Mr. McKISSICK. I was raised in that district down there, and I don't have nothing to do with that, but I am not against any of that because it has been in that district all my life.

Senator TOBEY. That is all.

The CHAIRMAN. Any other questions?

Mr. HALLEY. Would it be possible for you to find the very first question Senator Kefauver asked and read that?

(The question and answer referred to follow:)

The CHAIRMAN. Mr. McKissick, after the primary and after Governor Smith was elected, did you and Binaggio and others of your group have conferences about ways of getting Chief Johnson out as chief of police and loosening up the police department here?

Mr. McKISSICK. No, sir; not me. I wasn't there if they had that meeting.

Mr. HALLEY. What meeting were you referring to?

Mr. McKISSICK. About getting Chief Johnson out.

Mr. HALLEY. Was there such a meeting?

Mr. McKISSICK. Not that I know of. If there was I never attended.

Mr. HALLEY. Did you hear of such a meeting?

Mr. McKISSICK. No.

Mr. HALLEY. Thank you.

Senator TOBEY. He just qualified it by saying "Referring to that meeting." What does that mean?

Mr. McKISSICK. He asked about the meeting.

Senator TOBEY. But you said—

Mr. McKISSICK. A meeting with me and other fellows to get Chief Johnson out. I never attended that meeting.

Senator TOBEY. Is Smith still Governor?

Mr. McKISSICK. Yes, sir.

Senator TOBEY. Is he a strong character or a weak character?

Mr. McKISSICK. Weak.

Senator TOBEY. Crooked?

Mr. McKISSICK. No, no.

Senator TOBEY. Just weak?

Mr. McKISSICK. Weak. I would say anybody who wants his own appointees removed I would say he is weak.

Senator TOBEY. That might have been an act of reconsideration or reevaluation.

The CHAIRMAN. You have changed your mind about him since you supported him, then.

Mr. McKISSICK. Yes, sir; very much.

Mr. GOLDSCHEIN. Do you know Eddie Spitz?

Mr. McKISSICK. Yes, sir.

Mr. GOLDSCHEIN. Osadchey?

Mr. McKISSICK. Yes, sir.

Mr. GOLDSCHEIN. He was a member of your club?

Mr. McKISSICK. Yes, sir.

Mr. GOLDSCHEIN. Did you have various and sundry committees to do different things?

Mr. McKISSICK. I think we did during the election time; yes.

Mr. GOLDSCHEIN. How about after election?

Mr. McKISSICK. We had a finance committee.

Mr. GOLDSCHEIN. Did you have a committee for patronage, a patronage committee?

Mr. McKISSICK. No. I was president of the club and usually the patronage went through me.

Mr. GOLDSCHEIN. Did you have any working with you?

Mr. McKISSICK. No, sir.

Mr. GOLDSCHEIN. Was Eddie Spitz on any committee at any time?

Mr. McKISSICK. I think at one time he was.

Mr. GOLDSCHEIN. What committee?

Mr. McKISSICK. I think he was on the committee on patronage for the first ward, but then later I took charge of all of it.

Mr. GOLDSCHEIN. All right.

When he was on the patronage committee who was on the committee with him?

Mr. McKISSICK. He was on by himself.

Mr. GOLDSCHEIN. Who appointed him?

Mr. McKISSICK. Binaggio, I imagine. I didn't.

Mr. GOLDSCHEIN. You did not?

Mr. McKISSICK. No, sir.

Mr. GOLDSCHEIN. You were president of the club?

Mr. McKISSICK. Yes, sir.

Mr. GOLDSCHEIN. Did Binaggio run the club?

Mr. McKISSICK. Yes, sir. He was chairman.

Mr. GOLDSCHEIN. I thought you were chairman.

Mr. McKISSICK. No. I was president.

Mr. GOLDSCHEIN. Oh, you had a chairman. What was the chairman? How do you distinguish? What was the chairman and what was the president's functions?

Mr. McKISSICK. I was the organizer of the precincts and wards. In fact, I did the work.

Mr. GOLDSCHEIN. Yes, and he told you what to do?

Mr. McKISSICK. No, he didn't tell me. I knew what to do as far as the politics was concerned. I did the work.

Mr. GOLDSCHEIN. What was his function?

Mr. McKISSICK. He was chairman of the club. He sat in on anything that came up about candidates.

Mr. GOLDSCHEIN. I see. He appointed the committees.

Mr. McKISSICK. I think he appointed Spitz if he was appointed.

Mr. GOLDSCHEIN. To the police and firemen patronage board or committee, was that it, or just patronage committee?

Mr. McKISSICK. I would say patronage committee, but he was on there just a short time. They reverted back to me. I just told him I was president of the club and I felt all patronage should come through me and that was done.

Mr. GOLDSCHEIN. How long was Spitz on it?

Mr. McKISSICK. I would say a couple of weeks maybe.

Mr. GOLDSCHEIN. A couple of weeks?

Mr. McKISSICK. No longer than that.

Mr. GOLDSCHEIN. Did you tell Spitz to get off or did Binaggio tell him?

Mr. McKISSICK. I think I told him. I resented everybody running down to different offices telling them to put people to work and I told them that any jobs that came up should come through me.

Mr. GOLDSCHEIN. Who did you tell that to?

Mr. McKISSICK. Binaggio.

Mr. GOLDSCHEIN. Did you tell it to Spitz?

Mr. McKISSICK. No.

Mr. GOLDSCHEIN. Did you talk to Spitz about it?

Mr. McKISSICK. No.

Mr. GOLDSCHEIN. Did he ever talk to you about any particular patronage?

Mr. McKISSICK. No.

Mr. GOLDSCHEIN. Did he ever recommend anybody in the police department to you?

Mr. McKISSICK. He might have. I don't remember.

Mr. GOLDSCHEIN. Did he come to you about having anybody transferred?

Mr. McKISSICK. No; I don't believe he ever came to me about having anybody transferred.

Mr. GOLDSCHEIN. Did he come to you about having somebody put on the police department?

Mr. McKISSICK. He could not have anybody transferred the way the set-up was. You had a Pendergast man on the board and a Republican on the board. They were pulling apart from the two Democrats.

Mr. GOLDSCHEIN. How about getting somebody on?

Mr. McKISSICK. I did get a few on; yes.

Mr. GOLDSCHEIN. On the police department?

Mr. McKISSICK. Yes.

Mr. GOLDSCHEIN. Who?

Mr. McKISSICK. A few replacements, fellows who had been on before and fired when the Republicans took office. We tried to put some of them back on. We didn't have much luck. We put a few of them back.

Mr. GOLDSCHEIN. Did you have anybody fired?

Mr. McKISSICK. No, sir; I never had anybody fired?

Mr. GOLDSCHEIN. That is all.

The CHAIRMAN. Mr. McKissick, on these efforts to get people on--and they were not very successful, as you have said—who was your liaison? Who did you go to see about these matters?

Mr. McKISSICK. I think I talked to Milligan a few times about some patronage, about getting a few fellows reinstated, a new fellow going back on.

The CHAIRMAN. Captain Parker, or Superintendent Anderson? I mean who actually had charge of the firing and hiring.

Mr. McKISSICK. The board.

The CHAIRMAN. The board itself.

Mr. McKISSICK. They would take the application in to the personnel department, and then the board would bring it up, but we only got on a few because the board was pulling apart all the time, they had this Republican, one Republican, and Chambers, who was a Pendergast man, and these two fellows who were against Pendergast, Milligan and Farrell, were for Governor Smith on different sides there, so they could not get along.

The CHAIRMAN. And nothing happened?

Mr. McKISSICK. Nothing happened. I think we got eight civilian jobs out of the whole thing, out of 105. And we won the election.

The CHAIRMAN. You did not feel that you were treated right?

Mr. McKISSICK. I don't think so.

Senator TOBEY. "There ain't no justice," is there?

Mr. McKISSICK. No, sir.

The CHAIRMAN. All right, thank you, Mr. McKissick.

Mr. HALLEY. We will take Mr. Spitz next.

The CHAIRMAN. You will be excused unless we call you again.

Mr. McKISSICK. Thank you.

The CHAIRMAN. Mr. Spitz, come around over here. Will you stand up, raise your right hand and swear that the testimony that you will give this committee is the whole truth and nothing but the truth, so help you God?

Mr. OSADCHEY. I do.

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TESTIMONY OF EDWARD PHILIP OSADCHEY (EDDIE SPITZ),  
KANSAS CITY, MO.

Mr. HALLEY. What is your full name?

Mr. OSADCHEY. Edward Philip Osadchey.

Mr. HALLEY. Have you ever been known by any other name?

Mr. OSADCHEY. No—Spitz?

Mr. HALLEY. As Spitz?

Mr. OSADCHEY. Spitz.

Mr. HALLEY. Where did you get the name Spitz?

Mr. OSADCHEY. My mother gave it to me when I was a kid.

Mr. HALLEY. As a nickname?

Mr. OSADCHEY. Yes.

Mr. HALLEY. Where is your address?

Mr. OSADCHEY. Home address?

Mr. HALLEY. Yes.

Mr. OSADCHEY. 432 East Sixty-fourth Terrace.

Mr. HALLEY. Do you have a business?

Mr. OSADCHEY. I am in the garage business and in the ballroom business.

Mr. HALLEY. Any other business?

Mr. OSADCHEY. No.

Mr. HALLEY. What is the address of your garage business?

Mr. OSADCHEY. 1208 Wyandotte.

Mr. HALLEY. Do you have any partners in the garage business?

Mr. OSADCHEY. Two.

Mr. HALLEY. Who are they?

Mr. OSADCHEY. My brother and brother-in-law.

Mr. HALLEY. Do you have any agency in your garage for any automobile, sales agency, or repair agency?

Mr. OSADCHEY. They repair cars and rent cars.

Mr. HALLEY. But you have no agency from any distributor or manufacturer?

Mr. OSADCHEY. No, we are no agent for them.

Mr. HALLEY. Do you sell cars?

Mr. OSADCHEY. Yes, sir.

Mr. HALLEY. What cars do you sell?

Mr. OSADCHEY. All cars.

Mr. HALLEY. All cars. What is your ballroom business?

Mr. OSADCHEY. What is it?

Mr. HALLEY. Yes. Do you have a ballroom?

Mr. OSADCHEY. Ballroom.

Mr. HALLEY. Where is it?

Mr. OSADCHEY. 1208 Wyandotte.

The CHAIRMAN. Louder, Mr. Spitz.

Mr. OSADCHEY. 1208 Wyandotte. I have a sore throat.

Mr. HALLEY. Please talk as loudly as you can.

Do you have any partners in the ballroom?

Mr. OSADCHEY. Milton Morris.

Mr. HALLEY. Anyone else?

Mr. OSADCHEY. No.

Mr. HALLEY. Is there a bar connected with your ballroom?

Mr. OSADCHEY. No drinking at all there; no bar.

Mr. HALLEY. How do you operate? Do you have dancing open to the public?

Mr. OSADCHEY. Open to the public, and we cater to banquets, parties, fraternities, conventions, private parties.

Mr. HALLEY. Do you also have public dances?

Mr. OSADCHEY. Public dancing.

Mr. HALLEY. Were you ever arrested?

Mr. OSADCHEY. Well, now, let's see; arrested, yes.

Mr. HALLEY. Will you state when and where?

Mr. OSADCHEY. In town.

Mr. HALLEY. Please be specific.

Mr. OSADCHEY. Yes. About twenty-some years ago, I guess.

Mr. HALLEY. What was the charge?

Mr. OSADCHEY. Liquor.

Mr. HALLEY. A prohibition violation?

Mr. OSADCHEY. Yes, sir.

Mr. HALLEY. Were you convicted?

Mr. OSADCHEY. A misdemeanor conviction.

Mr. HALLEY. Were you the sole defendant or were there other defendants?

Mr. OSADCHEY. I was the sole defendant.

Mr. HALLEY. Were you arrested at any other time?

Mr. OSADCHEY. No, sir.

Mr. HALLEY. You are sure of that?

Mr. OSADCHEY. I was trying to think if there was any little minor thing. That was the only time I am quite sure.

Mr. HALLEY. You have only one conviction on your record?

Mr. OSADCHEY. Yes, sir.

Mr. HALLEY. Where were you born?

Mr. OSADCHEY. In Russia.

Mr. HALLEY. And when did you come to this country?

Mr. OSADCHEY. I don't remember. I was just very small, 3 or 4 years old.

Mr. HALLEY. How old are you now?

Mr. OSADCHEY. Forty-three.

Mr. HALLEY. You are 43 now?

Mr. OSADCHEY. Yes, sir.

Mr. HALLEY. Where did you go to school in this country?

Mr. OSADCHEY. Yes, sir.

Mr. HALLEY. In what city?

Mr. OSADCHEY. Right here.

Mr. HALLEY. You attended primary school, grammar school here?

Mr. OSADCHEY. Yes, sir.

Mr. HALLEY. Have you been living in Kansas City ever since?

Mr. OSADCHEY. Yes, sir.

Mr. HALLEY. You have never resided in any other city?

Mr. OSADCHEY. No, sir.

Mr. HALLEY. What businesses have you been in besides the ballroom and garage business? Did you ever have a place called the Show Bar?

Mr. OSADCHEY. No, sir. That place used to be the College Inn, and I leased it out, and they called it the Show Bar.

Mr. HALLEY. I am sorry, smoking is not allowed here. It is probably not good for your throat anyway. [Laughter.]

Mr. OSADCHEY. All right, sir.

Mr. HALLEY. We are all refraining from smoking for that reason.

Mr. Osadchey, what about the Show Bar? You say you leased it. It was called the College Inn originally, was it not?

Mr. OSADCHEY. Yes, sir.

Mr. HALLEY. When did you lease it?

Mr. OSADCHEY. A couple of years ago.

Mr. HALLEY. Who did you lease it to?

Mr. OSADCHEY. I leased it to Si Davis.

Mr. HALLEY. And Rainey?

Mr. OSADCHEY. I guess he had Rainey and some other partners. I don't know who. I did business with Si Davis.

Mr. HALLEY. You did not operate it yourself?

Mr. OSADCHEY. At that time, no.

Mr. HALLEY. Did you ever operate it?

Mr. OSADCHEY. Sure; I operated it for a good many years.

Mr. HALLEY. How many years?

Mr. OSADCHEY. Gosh, I don't know offhand; 12 or 13, something like that.

Mr. HALLEY. Did you have any partners in it yourself?

Mr. OSADCHEY. Early I had a partner, Jack Randazo.

Mr. HALLEY. Anyone else?

Mr. OSADCHEY. That is all. Now, I think for a while I had a fellow by the name of Sam Morris with me, and I had my nephew in there with me for a while.

Mr. HALLEY. How long have you known Charlie Binaggio?

Mr. OSADCHEY. Oh, probably 20 years, I guess.

Mr. HALLEY. When did you join his club?

Mr. OSADCHEY. When I got out of the Army.

Mr. HALLEY. In What year?

Mr. OSADCHEY. In 1945.

Mr. HALLEY. You had known him before that, though?

Mr. OSADCHEY. Yes, sir.

Mr. HALLEY. Were you ever in business with Charlie Binaggio?

Mr. OSADCHEY. Yes, sir.

Mr. HALLEY. Will you state the businesses in which you have participated with Binaggio?

Mr. OSADCHEY. In the Ace Sales & Equipment Co.

Mr. HALLEY. Who were the partners in that business?

Mr. OSADCHEY. Charlie Binaggio, Morris Klein, Ralph Spitscaufsky, and myself; and Pat Noonan had a little interest in it for a while.

Mr. HALLEY. Noonan was also convicted some years ago of an alcohol violation. Were you in the alcohol business with Noonan?

Mr. OSADCHEY. No, sir.

Mr. HALLEY. Back in the twenties?

Mr. OSADCHEY. No, sir.

Mr. HALLEY. Did you know him back in the twenties?

Mr. OSADCHEY. Yes, sir.

Mr. HALLEY. Klein is the man who is now in jail on the vote fraud; is that right?

Mr. OSADCHEY. Yes, sir.

Mr. HALLEY. He was also a partner with you at Ace Sales & Equipment Co.?

Mr. OSADCHEY. Yes, sir.

Mr. HALLEY. Binaggio was a third partner; is that right?

Mr. OSADCHEY. Yes, sir.

Mr. HALLEY. What was the business of Ace Sales?

Mr. OSADCHEY. Buying and selling surplus equipment and material.

Mr. HALLEY. From whom did you buy it, the United States Government?

Mr. OSADCHEY. From anybody that you could buy it from.

Mr. HALLEY. Did you buy it from the United States Government?

Mr. OSADCHEY. Yes; it includes them. Anybody you could buy it from.

Mr. HALLEY. You did buy from the United States Government?

Mr. OSADCHEY. Yes, sir.

Mr. HALLEY. To whom did you sell it?

Mr. OSADCHEY. Anybody you could sell it to.

Mr. HALLEY. Did you ever sell anything to the State of Missouri?

Mr. OSADCHEY. To my knowledge, no. To the best of my knowledge, no.

Mr. HALLEY. Did you ever sell anything to any county or municipal or other government? I am now referring to Ace Sales when I say "you."

Mr. OSADCHEY. I don't think so. I wouldn't know, but I don't think so. However, we might have sold a piece or two, but it wasn't much if they did.

Mr. HALLEY. What is the Missouri Electric Co.?

Mr. OSADCHEY. It is an electric company here in town.

Mr. HALLEY. Who are the partners who own it?

Mr. OSADCHEY. I think Morris Klein and Charlie Binaggio and Harry Young.

Mr. HALLEY. Klein is the same Snag Klein who is in jail for the vote fraud; is that right?

Mr. OSADCHEY. Yes, sir.

Mr. HALLEY. And you are a partner?

Mr. OSADCHEY. No, sir.

Mr. HALLEY. Have you no connection with Missouri Electric Co.?

Mr. OSADCHEY. No, sir.

Mr. HALLEY. Have you ever had a connection with Missouri Electric?

Mr. OSADCHEY. No, sir.

Mr. HALLEY. Have you ever been in their premises?

Mr. OSADCHEY. Yes, sir. They have done work for me. They are doing some now.

Mr. HALLEY. What are they doing for you?

Mr. OSADCHEY. They are putting in some lights and changing some main-line boxes. I tore out a wall, and they changed the main boxes from one wall to another one, putting in some lights.

Mr. HALLEY. What other businesses have you been in?

Mr. OSADCHEY. Do I have to—

The CHAIRMAN. That is a proper question. The committee wants to know.

Mr. OSADCHEY. I mean, do I have to answer a question where there is a State violation?

The CHAIRMAN. This is a Federal senatorial committee, and you have no immunity from testifying before this committee because of something involved in the State. It is only if you think you are going to be charged with a Federal offense as a result of your testimony.

Mr. OSADCHEY. All right, sir.

Mr. HALLEY. You have been advised by counsel; have you not?

Mr. OSADCHEY. No, sir; I have never had—just curb service is all.

Mr. HALLEY. There was a lawyer here yesterday who said he was representing you.

Mr. OSADCHEY. I just talked to him a few minutes. He never had a chance to look up the law, he told me. It was kind of curb service.

Mr. HALLEY. You discussed this matter at least with him yesterday?

Mr. OSADCHEY. In a small way, yes, sir.

Mr. HALLEY. You have had opportunity to seek legal advice since yesterday that you wanted to.

Mr. OSADCHEY. No, sir.

Mr. HALLEY. Why not?

Mr. OSADCHEY. When I left here I went directly up to the place where I was doing some work. I worked there until about 12 o'clock.

Mr. HALLEY. That was your choice. In any event, the law is that you have no privilege against self-incrimination where State law violations are involved.

Mr. OSADCHEY. All right.

Mr. HALLEY. Will you state what other businesses you have been in besides those which we have been discussing?

Mr. OSADCHEY. I have an interest in a gambling casino.

Mr. HALLEY. What gambling casino?

Mr. OSADCHEY. The Last Chance.

Mr. HALLEY. Will you state to the committee what the Last Chance is?

Mr. OSADCHEY. It is a gambling casino.

Mr. HALLEY. Where is it located?

Mr. OSADCHEY. Southwest Boulevard.

Mr. HALLEY. In Kansas City, Mo.?

Mr. OSADCHEY. Well, there is some dispute whether it is Kansas City, Mo., or Kansas City, Kans.

Mr. HALLEY. You were a partner there?

Mr. OSADCHEY. Yes, sir.

Mr. HALLEY. What percentage did you have?

Mr. OSADCHEY. Well, different—I was there two different times.

Mr. HALLEY. Just roughly, did you have 50 percent?

Mr. OSADCHEY. No, sir. I had probably 8, 10, or 12 percent. I don't know.

Mr. HALLEY. You had some other partners; did you not?

Mr. OSADCHEY. Yes, sir.

Mr. HALLEY. Tony Gizzo was a partner?

Mr. OSADCHEY. No, sir.

Mr. HALLEY. Tony Gizzo was not a partner in the Last Chance?

Mr. OSADCHEY. No, sir.

Mr. HALLEY. Was Lacoco a partner?

Mr. OSADCHEY. Yes, sir.

Mr. HALLEY. Gargotta?

Mr. OSADCHEY. Yes, sir.

Mr. HALLEY. Freedlander?

Mr. OSADCHEY. Yes, sir.

Mr. HALLEY. Snag Klein?

Mr. OSADCHEY. Yes, sir.

Mr. HALLEY. That is the same Snag Klein we have been talking about?

Mr. OSADCHEY. Yes, sir.

Mr. HALLEY. Did you share your percentage with anyone else?

Mr. OSADCHEY. No, sir.

Mr. HALLEY. At no time?

Mr. OSADCHEY. At no time, sir.

Mr. HALLEY. When did you have a percentage in the Last Chance?

Mr. OSADCHEY. The first time in 1947, I believe, in October—these dates may not be right, sir.

The CHAIRMAN. Give us your best estimate about it, sir.

Mr. OSADCHEY. In October, I think, 1947; and again in 1948 and 1949, I think, it ran over a few days.

Mr. HALLEY. What was your investment in the Last Chance?

Mr. OSADCHEY. I believe around \$1,200 or \$1,300.

Mr. HALLEY. What work did you do at the Last Chance? Were you on the premises in the operation of it?

Mr. OSADCHEY. Yes, sir.

Mr. HALLEY. What was your function?

Mr. OSADCHEY. To get customers.

Mr. HALLEY. To get customers?

Mr. OSADCHEY. Yes, sir.

Mr. HALLEY. Did you have any other function?

Mr. OSADCHEY. No, sir.

Mr. HALLEY. What were your profits over the 3-year period? Really 2 years; is it not?

Mr. OSADCHEY. Yes.

Mr. HALLEY. Two or three years.

Mr. OSADCHEY. Yes; it ran over—

Mr. HALLEY. Into 1950?

Mr. OSADCHEY. Yes, sir.

Mr. HALLEY. When did it close, in April of 1950—

The CHAIRMAN. We cannot hear you over here. About when was it closed?

Mr. OSADCHEY. It closed the day—

Mr. HALLEY. The day Binaggio was murdered?

Mr. OSADCHEY. Yes.

Mr. HALLEY. You don't have to be shy about those things. They happened. What was the relationship between the closing of the Last Chance and the murder of Binaggio? Why did you fellows decide to close it that day?

Mr. OSADCHEY. Well, naturally we knew that there would be a lot of heat.

Senator TOBEY. It was real grief for Binaggio, was it not? You could not bear to carry on without him, was that it?

Mr. OSADCHEY. How are you, Senator? I didn't recognize you.

Senator TOBEY. I remember you very well. Was it great grief for Binaggio who had been taken to his reward and you felt so badly you could not bear to carry on without his presence?

Mr. OSADCHEY. I personally did.

Senator TOBEY. What was the other reason?

Mr. OSADCHEY. The other reason was that there would be a lot of heat, naturally.

Senator TOBEY. You knew the heat was on?

Mr. OSADCHEY. Yes, sir.

Senator TOBEY. And there would be investigations and possibly prosecutions?

Mr. OSADCHEY. Yes, sir.

Mr. HALLEY. Didn't Binaggio have a piece of the Last Chance?

Mr. OSADCHEY. Yes, sir.

Mr. HALLEY. How much?

Mr. OSADCHEY. I think 12 or 15 percent.

Senator TOBEY. Did he put any money into that?

Mr. OSADCHEY. He put in his share.

Senator TOBEY. What did he draw out a year?

Mr. OSADCHEY. He wasn't there a year.

Senator TOBEY. How long? What did he draw out in cash against his investment of \$1,200 or \$1,500?

Mr. OSADCHEY. Somewhere around \$4,000.

Senator TOBEY. What did you draw out?

Mr. OSADCHEY. The same thing.

Mr. HALLEY. You made \$4,000 each year?

Mr. OSADCHEY. He was never there a year.

Mr. GOLDSCHNEIN. Three months.

Mr. HALLEY. In each period?

Mr. OSADCHEY. Yes, sir.

Mr. HALLEY. So the total would be what?

Mr. OSADCHEY. The total was \$4,000.

Mr. HALLEY. Over the entire period of time?

Mr. OSADCHEY. Over the entire period of time that he was there.

Mr. HALLEY. How long was Binaggio there?

Mr. OSADCHEY. A couple of months, I would say.

Mr. HALLEY. Starting when?

Mr. OSADCHEY. Starting 2 months back from the time we closed.

Mr. HALLEY. He drew out \$4,000 in 2 months?

Mr. OSADCHEY. Yes, sir.

The CHAIRMAN. Did he draw it out or did his widow get it afterward?

Mr. OSADCHEY. His widow got it.

Senator TOBEY. If it had run a year it would amount to taking \$25,000 a year out against his investment?

Mr. HALLEY. So it would seem.

Is that right? That if it had run a year he would have drawn about \$25,000 out of it?

Mr. OSADCHEY. It is a game of chance. He could have lost.

Mr. HALLEY. But 15 percent would net about \$2,000 a month; is that right?

Mr. OSADCHEY. I don't know that much about gambling, sir.

Mr. HALLEY. Had it netted that in the past 3 years?

Mr. OSADCHEY. It never was open at no time for that—

Senator TOBEY. But on your testimony, you and Binaggio with 12 or 15 percent interest, running 2 months, drew out \$4,000 apiece. So I simply say under the law of averages multiplying that by 6 for the 12 months of the year, it is a fair deduction that you would get \$25,000 a year. If you and that fellow got \$25,000 a year on that business in which you had jointly 30 percent interest,  $3\frac{1}{2}$  times that would be 100 percent interest, and the balance would have gotten over \$125,000.

Mr. OSADCHEY. You figure too fast for me, and I don't know that much about gambling.

Senator TOBEY. I think you can give me cards and spades and lick me on figures.

Mr. OSADCHEY. No.

Senator TOBEY. Is that a fair deduction to you? You fellows had 30 percent between you at the most and you drew \$9,000 in 2 months' time. Therefore somebody else had 70 percent. So if you had 30 percent and drew this amount of money, the others would get 3½ times what you drew, would they not?

Mr. OSADCHEY. I don't know. I really do not know that much about gambling.

Senator TOBEY. It was a pretty lucrative business, wasn't it?

Mr. OSADCHEY. Gambling, I suppose, is a lucrative business if you can operate.

Mr. HALLEY. What do you do to be able to operate? What is the trick?

Mr. OSADCHEY. If you are lucky you can run.

Mr. HALLEY. It is more than luck. You close periodically when the heat is on; is that not so?

Mr. OSADCHEY. You close when you get closed.

Mr. HALLEY. You have been active in politics in Kansas City for how many years? Twenty?

Mr. OSADCHEY. No. I should say not.

Mr. HALLEY. At least since the war.

Mr. OSADCHEY. Just since I got out of the Army.

Mr. HALLEY. You have been in the gambling business since when?

Mr. OSADCHEY. Since 1947.

Mr. HALLEY. When the heat is on you can't operate, is that right?

Mr. OSADCHEY. Yes, sir.

Mr. HALLEY. When the heat is off and the town is open, you can operate?

Mr. OSADCHEY. Yes, sir.

Mr. HALLEY. What are the methods of getting the heat off? When is the heat off?

Mr. OSADCHEY. I don't know of any.

Mr. HALLEY. It is possible to elect an administration that will be favorable to an open town, is it not; is that one way?

Mr. OSADCHEY. I suppose so.

Mr. HALLEY. Or don't you know so?

Mr. OSADCHEY. Your guess is as good as mine.

Mr. HALLEY. You can do more than guess. Were you active in the campaign of 1948?

Mr. OSADCHEY. Yes, sir.

Mr. HALLEY. Wasn't one of the major objectives of the club with which you are associated to get an open town? The head of the club was just in here testifying. Have you ever talked to him?

Mr. OSADCHEY. To whom?

Mr. HALLEY. To the head of your club. Do you belong to the Fifteenth Street Club?

Mr. OSADCHEY. You mean Mr. McKissick?

Mr. HALLEY. Yes. You have talked to him?

Mr. OSADCHEY. Surely.

Mr. HALLEY. Doesn't he favor an open town? He makes no bones about it.

Mr. OSADCHEY. I suppose so.

Mr. HALLEY. Did you disagree with him on that?

Mr. OSADCHEY. No.

Mr. HALLEY. You are in the gambling business.

Mr. OSADCHEY. I wouldn't disagree with him.

Mr. HALLEY. When the town is open the heat is off, is that right?

Mr. OSADCHEY. That is right.

Mr. HALLEY. You operate and make big profits.

Mr. OSADCHEY. If we are lucky, yes.

Mr. HALLEY. Have you ever known of a gambling place when the heat was off and it was able to run that didn't make big profits?

Mr. OSADCHEY. Over a period of time they do; yes, sir.

Mr. HALLEY. That is right. In the 1948 campaign, then, the effort was being made to get the heat off by electing an administration that would allow an open town, is that not right?

Mr. OSADCHEY. I suppose so.

Mr. HALLEY. You know so. Why quibble?

The CHAIRMAN. Now, Spitz, we are going to get along better if we all talk up and answer out. None of us are amateurs in matters of inquiry, and you are not an amateur in testifying.

Mr. OSADCHEY. I am a novice in testifying. I have got a lot of it here lately.

The CHAIRMAN. Speak up and let's get your answers clear and unequivocal.

Mr. OSADCHEY. I am not trying to be evasive. He is asking me some questions that are—I mean you know yourself—

The CHAIRMAN. Go ahead with the questions, and let's see if we can get along a little faster, Mr. Halley.

Senator TOBEY. Is this not a fair statement of what you are doing? Every question there you have been giving a defense; you have had a little conversation with Spitz inside, "How will I answer that with the least resistance and harm to me. How will I get over this hurdle before the next one comes?" Instead of just taking the bull by the horns and let us have the truth no matter where it hits and who it hurts.

Mr. OSADCHEY. I am trying to tell you gentlemen.

Senator TOBEY. You have a very delightful reserve—I would not call it delightful, but a very definite reserve about these questions. Is that because a mental process is going on behind your face?

Mr. OSADCHEY. You all can get in my shoes for a few minutes if you want to. I am trying not to get into any trouble. I have had enough of it.

Mr. HALLEY. I think we will get along now, thank you very much.

Mr. OSADCHEY. I am trying to do the right thing.

Mr. HALLEY. Let's go. We want to move along now, Mr. Spitz.

You were active in the 1948 gubernatorial campaign?

Mr. OSADCHEY. Yes, sir.

Mr. HALLEY. And Charlie Binaggio was very active?

Mr. OSADCHEY. Yes, sir.

Mr. HALLEY. The Fifteenth Street Club was extremely active?

Mr. OSADCHEY. Yes, sir.

Mr. HALLEY. The policy of you and the Fifteenth Street Club and Binaggio and McKissick was to get an administration which would favor an open town in Kansas City, is that right?

Mr. OSADCHEY. Yes, sir.

Mr. HALLEY. Had you a chap named Noonan traveling all over the State, campaigning for Governor Smith?

Mr. OSADCHEY. Yes, sir.

Mr. HALLEY. Your club was paying his expenses; wasn't it, his traveling expenses?

Mr. OSADCHEY. I suppose they did. I don't know because I didn't handle that.

Mr. HALLEY. Who handled it, Charlie Binaggio directly?

Mr. OSADCHEY. Yes.

Mr. HALLEY. He did pay the expenses, didn't he?

Mr. OSADCHEY. I know that he paid many of them.

Mr. HALLEY. Noonan went around the State saying that it would be best for the State if things were opened up a bit, isn't that right?

Mr. OSADCHEY. No; I wouldn't say that, sir.

Mr. HALLEY. What did he say?

Mr. OSADCHEY. I don't know. Noonan was trying to elect Forrest Smith and the Democratic ticket.

Mr. HALLEY. Did you raise any campaign funds in that campaign?

Mr. OSADCHEY. Yes, sir.

Mr. HALLEY. How much did you personally raise?

Mr. OSADCHEY. I wouldn't know offhand.

Mr. HALLEY. What is your best rough estimate?

Mr. OSADCHEY. I would say two or three thousand, maybe.

Mr. HALLEY. From whom?

Mr. OSADCHEY. From anybody I could get \$50 or \$100 or \$75 or \$25 from.

Mr. HALLEY. Did you personally make a contribution?

Mr. OSADCHEY. Personally; no.

Mr. HALLEY. You seem to be thinking carefully.

Mr. OSADCHEY. I just wondered.

The CHAIRMAN. Did you put some of your money in the campaign?

Mr. OSADCHEY. I might have used my money for expenses, yes, traveling; but just to make a personal contribution, here is so much, I didn't do that, sir.

Mr. HALLEY. Did any member of your family?

Mr. OSADCHEY. No, sir.

Mr. HALLEY. How much would you say you spent in traveling and for assorted expenses, a couple of thousand dollars?

Mr. OSADCHEY. At least that.

Mr. HALLEY. You were quite active, in other words?

Mr. OSADCHEY. Yes, sir.

Mr. HALLEY. Then after Governor Smith was elected there was—

The CHAIRMAN. While we are on the campaign matter, what did you do with the money raised? Who did you turn it over to?

Mr. OSADCHEY. Charlie Binaggio.

The CHAIRMAN. Do you know who he gave it to or what he did with it?

Mr. OSADCHEY. No, sir.

The CHAIRMAN. In other words, do you know whether it was spent locally or whether it was sent to Jefferson City?

Mr. OSADCHEY. No, sir; I wouldn't know that, sir.

The CHAIRMAN. I did not understand about this \$2,000 for traveling. Did you travel over the State or just in your section here in Kansas City?

Mr. OSADCHEY. No; over the State.

The CHAIRMAN. Over the State. All over the State?

Mr. OSADCHEY. Yes, sir.

The CHAIRMAN. How many trips?

Mr. OSADCHEY. A dozen or so. A lot of them.

The CHAIRMAN. Where did you go?

Mr. OSADCHEY. Springfield, Jefferson City, St. Louis.

The CHAIRMAN. Did you have friends that you could include and talk with there?

Mr. OSADCHEY. Trying to; yes, sir.

The CHAIRMAN. In the gambling fraternity?

Mr. OSADCHEY. No, sir.

The CHAIRMAN. What kind of friends were they?

Mr. OSADCHEY. Just ward leaders and precinct captains, just different people.

The CHAIRMAN. Who told you to go around over the State?

Mr. OSADCHEY. Charlie.

The CHAIRMAN. Binaggio?

Mr. OSADCHEY. Yes, sir.

The CHAIRMAN. Did he tell you who to see?

Mr. OSADCHEY. Yes, sir.

The CHAIRMAN. Did you see this fellow Moore that operated over in Hyde Park?

Mr. OSADCHEY. Yes, sir.

The CHAIRMAN. Did you get some money from him?

Mr. OSADCHEY. I never did go by myself.

The CHAIRMAN. Who went with you?

Mr. OSADCHEY. Charlie.

The CHAIRMAN. Just the two of you?

Mr. OSADCHEY. Yes, sir; at times. At times there were other people with us.

The CHAIRMAN. Why would the two of you go together?

Mr. OSADCHEY. I don't know. He went and I kind of went along with him.

The CHAIRMAN. Did you drive in an automobile around?

Mr. OSADCHEY. Some times we went by car, some times by train, some times we flew.

The CHAIRMAN. Your outside trips were principally to St. Louis?

Mr. OSADCHEY. Mostly.

The CHAIRMAN. Did you get over to East St. Louis, across the river?

Mr. OSADCHEY. I have been over there.

The CHAIRMAN. I know, but did you see some people about getting campaign funds over in East St. Louis?

Mr. OSADCHEY. No, sir.

The CHAIRMAN. Across the river in Illinois anywhere?

Mr. OSADCHEY. No, sir. We never tried to get any campaign funds in St. Louis.

The CHAIRMAN. You did not get any from Molasky?

Mr. OSADCHEY. No, sir.

The CHAIRMAN. How about Buster Wortman?

Mr. OSADCHEY. No, sir.

The CHAIRMAN. Did you talk with him about it?

Mr. OSADCHEY. I have met Buster Wortman.

The CHAIRMAN. How about up at Council Bluffs, Iowa? Did you get any money up there for the campaign?

Mr. OSADCHEY. No, sir.

Senator TOBEY. When you and Binaggio went to see men around the State, did they all come across?

Mr. OSADCHEY. Come across with what, sir, money?

Senator TOBEY. Yes. All that you interviewed—

Mr. OSADCHEY. We never tried to get any money.

Senator TOBEY. What did you go to see them for? What was your errand in seeing them?

Mr. OSADCHEY. To try to get them to go for the ticket that Charlie was for.

Senator TOBEY. Did they all agree to go?

Mr. OSADCHEY. Some did and some didn't.

Senator TOBEY. Is Smith an honest man or a crooked man?

Mr. OSADCHEY. I would think he is an honest man, sir.

Senator TOBEY. Is he a weak man?

Mr. OSADCHEY. How do you mean?

Senator TOBEY. Weak in character, easily bent, easily influenced.

Mr. OSADCHEY. I should not think so.

Senator TOBEY. Would you call him a strong heroic figure as Governor of this State?

Mr. OSADCHEY. I don't know him that well, sir. I just met him a time or two.

Mr. HALLEY. After the election and the inauguration of Governor Smith, were you appointed to a patronage committee for the Fifteenth Street Club?

Mr. OSADCHEY. I don't know of any patronage committee.

Mr. HALLEY. Didn't Charlie Binaggio give you the job of checking up to make sure that the patronage came through?

Mr. OSADCHEY. No, sir.

Mr. HALLEY. Didn't you do anything about patronage at any time after the election?

Mr. OSADCHEY. I tried to influence maybe some commissioners.

Mr. HALLEY. Some of the police commissioners?

Mr. OSADCHEY. To put on Democrats.

Mr. HALLEY. Who were some of the commissioners that you tried to influence?

Mr. OSADCHEY. I talked to Chambers. I talked to—of course you didn't have to do much talking to Farrell. He was always trying to put on Democrats.

Mr. HALLEY. Farrell wanted an open town; didn't he? Didn't he say so?

Mr. OSADCHEY. Well, it has been in the papers that he said so.

Mr. HALLEY. Didn't you know it? I am not talking about what is in the papers. Didn't you know from your talks with Farrell and with other gamblers and with Charlie Binaggio that Farrell was all right and wanted an open town?

Mr. OSADCHEY. I would not say that Farrell wanted gambling.

Mr. HALLEY. But he was willing to allow the town to open up some; wasn't he?

Mr. OSADCHEY. I wouldn't say that; no, sir.

Mr. HALLEY. But he was all right on the patronage? You didn't have to talk to him.

Mr. OSADCHEY. He was all right on the patronage; yes, sir.

Mr. HALLEY. Who did you have to talk to about the patronage in the police department? Did you talk to Cohn?

Mr. OSADCHEY. No, sir. I don't know Cohn very well.

Mr. HALLEY. You just talked to Chambers?

Mr. OSADCHEY. Yes.

Mr. HALLEY. What did you ask Chambers to do?

Mr. OSADCHEY. I just asked him to put on some Democrats.

Mr. HALLEY. You wanted Chief Johnson fired; didn't you?

Mr. OSADCHEY. I was trying to get a new chief; yes.

Mr. HALLEY. Who did you want for chief?

Mr. OSADCHEY. Braun, John Braun.

Mr. HALLEY. Would Chambers go for that?

Mr. OSADCHEY. No.

Mr. HALLEY. Why not?

Mr. OSADCHEY. I don't know what his reasons were.

Mr. HALLEY. Did Milligan agree to Braun?

Mr. OSADCHEY. Milligan said something—there was a reason why he couldn't be chief. I don't know.

Mr. HALLEY. Did you have to talk much to Milligan about patronage or was he siding pretty much with Farrell in this situation?

Mr. OSADCHEY. I didn't talk to him because it wasn't my business to talk to him.

Mr. HALLEY. What was the line-up? Chambers and Cohn were opposing any changes in the police force; weren't they?

Mr. OSADCHEY. They were possibly opposing.

Mr. HALLEY. The other two were Milligan and Farrell—they wanted to go along on some patronage for the administration, is that right?

Mr. OSADCHEY. Yes, sir.

Mr. HALLEY. In order to get this patronage you were proposing various people for, first, chief of police, is that right?

Mr. OSADCHEY. No, I didn't propose it.

Mr. HALLEY. Who proposed this fellow Braun?

Mr. OSADCHEY. Charlie Binaggio.

Mr. HALLEY. You got his name from Charlie Binaggio? Is that right?

Mr. OSADCHEY. No, I didn't get his name from Charlie Binaggio. Charlie Binaggio was trying to get him in as chief.

Mr. HALLEY. He was Charlie's candidate?

Mr. OSADCHEY. Yes, sir.

Mr. HALLEY. Did Charlie Binaggio have candidates for any other posts in the police department?

Mr. OSADCHEY. I suppose he had a lot of them.

Mr. HALLEY. Chief of detectives?

Mr. OSADCHEY. He was trying to get all the jobs he could in there, janitors, elevator operators.

Mr. HALLEY. Let's stick to chief of detectives for the moment. Was he trying to get chief of detectives?

Mr. OSADCHEY. I suppose he was trying to. Naturally he would try to get all the jobs he could.

Mr. HALLEY. Let's try to avoid the supposition. He was, was he not, trying to get a change in the chief of detectives?

Mr. OSADCHEY. I suppose he was, yes.

Mr. HALLEY. Now, Mr. Spitz, we have gone quite aways afield, but let's get back to your gambling interests. Did you have a gambling interest at Council Bluffs, Iowa?

Mr. OSADCHEY. Yes, sir.

Mr. HALLEY. What was that?

Mr. OSADCHEY. That was a restaurant, night club, and gambling casino.

Mr. HALLEY. Did you have any partners in it?

Mr. OSADCHEY. Yes, sir.

Mr. HALLEY. What is the name of it?

Mr. OSADCHEY. Stork Club.

Mr. HALLEY. Stork Club of Council Bluffs. You and Klein own a half interest between you, is that right?

Mr. OSADCHEY. No, sir.

Mr. HALLEY. Will you correct me, then?

Mr. OSADCHEY. Charles Hutter had a percentage. George Beskas had a percentage.

Mr. HALLEY. What was your percentage?

Mr. OSADCHEY. I had around 10½ percent.

Mr. HALLEY. What did Klein have? That is Snag Klein again, isn't it?

Mr. OSADCHEY. Yes, sir.

Mr. HALLEY. What did he have?

Mr. OSADCHEY. He had the same amount.

Mr. HALLEY. What was that? Ten and one-half percent?

Mr. OSADCHEY. Yes, sir.

Mr. HALLEY. By the way, is the Stork Club still operating?

Mr. OSADCHEY. No, sir. It is closed.

Mr. HALLEY. When did that close?

Mr. OSADCHEY. I don't remember the date, sir.

Mr. HALLEY. How long ago, approximately?

Mr. OSADCHEY. Several months ago.

Mr. HALLEY. Right after Binaggio's murder?

Mr. OSADCHEY. Yes, sir.

Mr. HALLEY. The heat then reached as far as Iowa; is that right?

Mr. OSADCHEY. Yes, sir.

Mr. HALLEY. Did Binaggio have an interest in the Stork Club?

Mr. OSADCHEY. No, sir.

Mr. HALLEY. Did you have any participation in your interest?

Mr. OSADCHEY. No, sir.

Mr. HALLEY. Or in Klein's interest?

Mr. OSADCHEY. No, sir.

Mr. HALLEY. How much money did you draw out of the Stork Club since you purchased your interest? When did you buy your interest?

Mr. OSADCHEY. In 1947.

Mr. HALLEY. What did you and Klein pay for your 21 percent?

Mr. OSADCHEY. Actually we didn't pay anything.

Mr. HALLEY. That is right. How much money have you made out of it since 1947, you, personally?

Mr. OSADCHEY. 1947? I don't know, maybe \$25,000.

Mr. HALLEY. How do people like you and Snag Klein muscle into a gambling joint for nothing and draw such lucrative profits out of it? How does that work? I guess the heat is on and you might as well tell us how it works.

Mr. OSADCHEY. What do you call muscle?

Mr. HALLEY. Muscle is getting something for nothing because you have leverage, isn't it?

Senator TOBEY. How did you get the interest in the Stork Club? You didn't put any money in it. What was the quid pro quo, the consideration? That is what we are trying to find out.

Mr. OSADCHEY. We were going to buy it for \$20,000, and Hutter came down here and talked to me and asked me if I would be interested in it.

Senator TOBEY. At \$20,000?

Mr. OSADCHEY. Yes, \$20,000. We talked it over in detail. I talked to Morris Klein and some of the other fellows and we went up there and came back. Later he came down and said that he could make a deal and he thought it would be much better if we had some hometown fellows interested in the place. He would get these other fellows to take half for \$20,000, and we would get our half for nothing.

Senator TOBEY. What would you be giving for that half, which violates all the principles of increment in business? What did you give, Spitz, for a \$20,000 interest in that concern?

Mr. OSADCHEY. I didn't do much outside of setting up the policy of how to operate.

Senator TOBEY. Had they been operating before?

Mr. OSADCHEY. Yes, they had been operating.

Senator TOBEY. They had been making money?

Mr. OSADCHEY. Operating at a loss.

Senator TOBEY. At a loss.

Mr. OSADCHEY. Yes, sir.

Senator TOBEY. When you took hold of it, your magic made it a profitable business?

Mr. OSADCHEY. I wouldn't say it was magic.

Senator TOBEY. What did they get for giving you a \$20,000 concern for nothing? What did they get out of it?

Mr. OSADCHEY. Well, I don't quite understand you, sir.

Senator TOBEY. You told us that you got this for nothing. You first offered \$20,000. They got some other fellows to put the \$20,000 in, but they gave you this interest you had for nothing. That is what you told us. I am asking you what did they get out of it from you?

Mr. OSADCHEY. They didn't get anything, but is that unusual?

Senator TOBEY. Very unusual. People who give a man an interest in a business of that sort and get nothing out of it—yes, very unusual. I wish you would tell me some place where I can go in and do it.

Mr. OSADCHEY. There are many people who get fees and get finder's commissions.

Senator TOBEY. But for a purpose. What had you done? What was the service you rendered to cash in to this extent?

Mr. OSADCHEY. We found it.

Senator TOBEY. What is that?

Mr. OSADCHEY. We found it.

Senator TOBEY. You found it or founded it? What do you mean?

Mr. OSADCHEY. Well, look, Senator: Suppose I find a deal and I come to you and say, "Here, I have got a proposition. Do you want

to go along? Here is the deal. You put up the money, I will work out the deal, and we will be in together."

Senator TOBEY. In the first place you testified they came to you and offered you this for \$20,000. You said you would be interested. Then you gave a revised version of that and said they got somebody else to take it, to give the \$20,000, and you got yours for nothing.

Mr. OSADCHEY. That is right.

Senator TOBEY. In between what happened. Where did they see the light?

Mr. OSADCHEY. First, when Hutter first came down here, he had this deal for \$20,000. All right, we were going to go along. We were going to buy it ourselves. Then he said, "We can get these fellows to go in, they are interested. We can sell them half for \$20,000, and we won't have to put up anything."

Senator TOBEY. Yes.

Mr. OSADCHEY. It will be a good thing to have these fellows in.

Senator TOBEY. Why did they need you, then?

Mr. OSADCHEY. We had found the deal. We already had it.

Mr. HALLEY. Who were the fellows who put up the \$20,000?

Mr. OSADCHEY. Fred Barnes.

Mr. HALLEY. Where does he live?

Mr. OSADCHEY. In Omaha.

Mr. HALLEY. Who else?

Mr. OSADCHEY. The Einer brothers.

Mr. HALLEY. Do they live in Omaha?

Mr. OSADCHEY. Yes, sir.

Mr. HALLEY. Where does Hutter live, the man who came to you with the deal?

Mr. OSADCHEY. He lives in Omaha.

Mr. HALLEY. A man comes to you from Omaha and suggests that you go back into a gambling joint there called the Stork Club, then, goes back to Omaha and gets people from his own city to put the money in. Did you know these people who put the money in before he found them for you?

Mr. OSADCHEY. No, sir.

Mr. HALLEY. What did you find? I don't get it. I think you found a good thing.

Mr. OSADCHEY. Naturally.

Mr. HALLEY. You didn't find the people with the money, did you?

Mr. OSADCHEY. No, sir.

Mr. HALLEY. What did you find?

Mr. OSADCHEY. It sounds a little fantastic—

Senator TOBEY. I'll say it does!

Mr. HALLEY. I think I can help out on this. It just so happened that when Charlie Binaggio died, what you found wasn't worth a cent any more and they closed the place down, isn't that right?

Mr. OSADCHEY. That is right.

Mr. HALLEY. What you found had something to do with Charlie Binaggio's being alive, didn't it?

Mr. OSADCHEY. No, sir; positively not.

Mr. HALLEY. Why did you quit? You were over in another State, in the State of Iowa. One man gets killed in Missouri and you close a joint in Iowa that is paying you good money. Why?

Mr. OSADCHEY. I suppose there have been places closed all over the country on account of this thing.

Mr. HALLEY. Name another.

Mr. OSADCHEY. I don't know, sir.

Mr. HALLEY. Let's stick to what you know. I think perhaps the committee would like to see a pattern in the ability of Mr. Spitz to get things for nothing.

The CHAIRMAN. Before you leave the Stork Club, Mr. Hutter's first proposition was that you and Snag Klein put up \$20,000 and you accepted that? I mean you were willing to do that, were you not?

Mr. OSADCHEY. Yes, sir.

The CHAIRMAN. Then without anything happening at all he came back the next time and said "I have some other people to put up the \$20,000 and you and Klein come in for nothing." Is that the size of it?

Mr. OSADCHEY. That is the size of it, sir. We originally was going in for this \$20,000. Then he went up there and talking around and one thing and another these other fellows apparently told him they would like to go in there with him.

The CHAIRMAN. Did you get the same percentage of interest for nothing that you were going to get for \$20,000?

Mr. OSADCHEY. Yes, sir. He had already made this deal before, he wouldn't have needed us.

The CHAIRMAN. Then if he had said "Still we want \$20,000," you would have given it to him?

Mr. OSADCHEY. No. We were going to wind up with all of it for the \$20,000. This way we wound up with 50 percent of it for nothing.

The CHAIRMAN. You own the real estate, too, do you not?

Mr. OSADCHEY. Yes, sir.

The CHAIRMAN. It is a pretty large establishment?

Mr. OSADCHEY. It is no good.

The CHAIRMAN. It is a lot of buildings, a lot of buildings and acreage, is it not?

Mr. OSADCHEY. I forget the size of it. It ain't worth a quarter without gambling.

The CHAIRMAN. Anyway you have a deed to the land?

Mr. OSADCHEY. Yes, sir.

The CHAIRMAN. That is all. Go ahead, Mr. Halley.

Mr. HALLEY. Just one thing while we are still on that. Look here, Spitz, you have been through a lot on this gambling business you have got into, and now the heat is on and probably the gambling is over. You would be very foolish to get yourself involved for perjury at this stage of the game. Are you sure you are telling the right story about this Stork Club?

Mr. OSADCHEY. I positively am telling the truth.

Mr. HALLEY. Are you willing to take your chances on this committee's not being able to go out and prove right to the hilt that you are not telling the truth?

Mr. OSADCHEY. That is right. It is the truth. I couldn't tell you a different story. It sounds—maybe it doesn't sound right to you fellows, but it is the truth.

Mr. HALLEY. It sounds ridiculous to you, too, doesn't it?

Mr. OSADCHEY. No, it doesn't. It would be no more than any other kind of a deal. There are a lot of deals happen like that. If you

find something, you go to a fellow who has the money who is interested, you take a free ride.

Mr. HALLEY. I know of only one other free ride that has occurred in this area, and I would like to ask you about it right now. Suppose you tell the committee what your interest is in the racing wire service in this area. Just start at the beginning and tell the whole story.

Mr. OSADCHEY. All right, sir. What my interest is in it?

Mr. HALLEY. Tell the committee all about it.

Mr. OSADCHEY. I have a fourth of it.

The CHAIRMAN. Tell us how you got started and what happened. When did you first get in the racing wire service and how did you get in it and what happened.

Mr. OSADCHEY. You see, I first got in it in 1946, somewhere around the middle of the year.

Mr. HALLEY. Did you have any partners?

Mr. OSADCHEY. At that time, no, sir. I started by myself, with Trans-America.

Mr. HALLEY. What is Trans-America?

Mr. OSADCHEY. Trans-America News & Publishing Co.

Mr. HALLEY. They provided the racing service; is that right.

Mr. OSADCHEY. Yes, sir.

Mr. HALLEY. Their headquarters are in Chicago?

Mr. OSADCHEY. I think it is, sir.

Mr. HALLEY. Did you go there to arrange the transaction or did somebody come to Kansas City?

Mr. OSADCHEY. No; I arranged for it right here in Kansas City.

Mr. HALLEY. Who did you talk to to get the service?

Mr. OSADCHEY. Pat Burns.

Mr. HALLEY. Pat Burns?

Mr. OSADCHEY. Yes, sir.

Mr. HALLEY. The same fellow—he was the representative of Continental, wasn't he?

Mr. OSADCHEY. I think he was formerly with Continental.

Mr. HALLEY. What did he do, quit them and go with Trans-America?

Mr. OSADCHEY. Apparently he did. He was with them at the time I talked to him.

Mr. HALLEY. What arrangements did you make? What arrangements did you make with Burns?

Mr. OSADCHEY. I made arrangements for the service, \$1,000 a week.

Mr. HALLEY. You were to pay to whom \$1,000 a week?

Mr. OSADCHEY. To Trans-America.

Mr. HALLEY. Who did you pay it to?

Mr. OSADCHEY. Trans-America.

Mr. HALLEY. A company?

Mr. OSADCHEY. Yes, sir.

Mr. HALLEY. Where were they located?

Mr. OSADCHEY. Chicago.

Mr. HALLEY. Did you ever know any of the principals in Trans-America?

Mr. OSADCHEY. No, sir.

Mr. HALLEY. Did you ever hear who the principals were in Trans-America?

Mr. OSADCHEY. No, sir.

Mr. HALLEY. Are you sure of that?

Mr. OSADCHEY. I am positive.

Mr. HALLEY. What was your conversation with Burns? At this point it doesn't make sense. You know it doesn't. Let's have it right, Spitz.

Mr. OSADCHEY. He was trying to get customers, and I convinced him that I could handle it.

Mr. HALLEY. You were the first and the only and the big customer. You were getting the distributorship for the area, were you not?

Mr. OSADCHEY. Yes, sir.

Mr. HALLEY. From Trans-America?

Mr. OSADCHEY. Yes, sir.

Mr. HALLEY. That was a big deal, a thousand dollars a week. You were willing to deal with the boys, and you had to pay when you arranged to pay them \$1,000 a week. You couldn't fool with them. Isn't that right?

Mr. OSADCHEY. I suppose you had to pay; yes.

Mr. HALLEY. Who were the boys you were dealing with that you had to pay first?

Mr. OSADCHEY. Pat Burns.

Mr. HALLEY. Oh, now. He was just a small fry, a field representative of Continental who quit and went with Trans-America. Who were you dealing with?

Mr. OSADCHEY. That is the fellow I made the deal with, Pat Burns.

Mr. HALLEY. Who was he working for?

Mr. OSADCHEY. He was working for the Trans-America Co.

Mr. HALLEY. You must have asked him who his principals were. Don't sit here and expect the committee to believe that you made a deal with Pat Burns to deal with a name in Chicago without knowing who you were dealing with.

Mr. OSADCHEY. That is the only fellow that I met and the only fellow that I know with Trans-America Co.

Mr. HALLEY. Who did Pat Burns say was behind the Trans-America Co.?

Mr. OSADCHEY. We never discussed that.

Mr. HALLEY. What was the conversation? Where did you meet him and how did it come up in the first place?

Mr. OSADCHEY. I met him at the College Inn.

Mr. HALLEY. Your own place?

Mr. OSADCHEY. Yes, sir.

Mr. HALLEY. Did he come to you?

Mr. OSADCHEY. No, sir.

Mr. HALLEY. You sent for him?

Mr. OSADCHEY. No, sir.

Mr. HALLEY. How did it come up?

Mr. OSADCHEY. I met him accidentally. He was in there.

Mr. HALLEY. What happened?

Mr. OSADCHEY. He was drinking.

Mr. HALLEY. Yes.

Mr. OSADCHEY. We just got to talking like I talked to all the customers.

Mr. HALLEY. And?

Mr. OSADCHEY. And he told me what he was doing there.

Mr. HALLEY. What was he doing? He said he had quit Continental, didn't he?

Mr. OSADCHEY. He didn't. At that time I didn't know he had ever worked for Continental.

Mr. HALLEY. What did he say he was doing?

Mr. OSADCHEY. He was there to get a distributor.

Mr. HALLEY. For Trans-America?

Mr. OSADCHEY. For Trans-America.

Mr. HALLEY. He explained to you it was a new wire service in competition with Continental?

Mr. OSADCHEY. Yes, sir.

Mr. HALLEY. You weren't born yesterday. You knew Continental was giving service in the area; did you not?

Mr. OSADCHEY. I didn't know a whole lot about the service.

Mr. HALLEY. You knew it was giving service. You wouldn't get into a wire-service building and commit yourself for a thousand dollars a week without knowing something about it.

Mr. OSADCHEY. Yes, sir.

Mr. HALLEY. You knew Continental was in the area; is that right?

Mr. OSADCHEY. Yes, sir.

Mr. HALLEY. And you knew Burns was getting arrangements made for a distributor for a competing service?

Mr. OSADCHEY. Yes, sir.

Mr. HALLEY. You knew there was going to be a lot of warfare and trouble, didn't you?

Mr. OSADCHEY. No, sir.

Mr. HALLEY. Do you read the newspapers?

Mr. OSADCHEY. Yes, sir.

Mr. HALLEY. You know that every time there has been any competition in the wire-service business there has been bloodshed.

Mr. OSADCHEY. I didn't know that at that time.

Mr. HALLEY. You have learned it since?

Mr. OSADCHEY. I have learned since very well.

Mr. HALLEY. Did you ask him how he was going to handle the competition with Continental?

Mr. OSADCHEY. Did I ask him?

Mr. HALLEY. Burns?

Mr. OSADCHEY. That was up to me to get the business.

Mr. HALLEY. Then you arranged to get a wire from Trans-America; is that right?

Mr. OSADCHEY. Yes, sir.

Mr. HALLEY. Did he undertake the Trans-America wire to carry the last-minute racing news so you could compete with Continental?

Mr. OSADCHEY. Yes, sir; the news was the same.

Mr. HALLEY. You knew that the news had to come in on an up-to-the-minute basis or you couldn't operate; is that right?

Mr. OSADCHEY. Yes, sir.

Mr. HALLEY. Was it at the first meeting that you agreed to pay him \$1,000 a week, or did you have subsequent meetings?

Mr. OSADCHEY. The first or second meeting. We agreed on it.

Mr. HALLEY. How long have you known Burns?

Mr. OSADCHEY. I didn't know him very well. I had met him one time before.

Mr. HALLEY. You had met him only once before?

Mr. OSADCHEY. Yes.

Mr. HALLEY. Where did you meet him before that?

Mr. OSADCHEY. In the College Inn.

Mr. HALLEY. Did he come in there?

Mr. OSADCHEY. Yes, sir.

Mr. HALLEY. Who introduced you?

Mr. OSADCHEY. I don't think anybody introduced us. I just met him.

Mr. HALLEY. You mean this fellow walked in and said hello and you got to talking to him?

Mr. OSADCHEY. No. He came in there and I talked to him just like I talk to thousands of other people who come in there over a period of time.

Mr. HALLEY. Did he tell you his business?

Mr. OSADCHEY. The first time; no.

Mr. HALLEY. How long was he there the first time?

Mr. OSADCHEY. I don't remember. I don't remember just when I met him the first time. I met him once before, maybe a year or 2 years before.

Mr. HALLEY. Who introduced you?

Mr. OSADCHEY. Nobody.

Mr. HALLEY. You met him also at the College Inn?

Mr. OSADCHEY. Yes.

Mr. HALLEY. Just casually?

Mr. OSADCHEY. Yes, sir.

Mr. HALLEY. Then 2 years later he wandered into your place for the second meeting and mentioned this Trans-America distributorship?

Mr. OSADCHEY. Yes; there is nothing unusual about that.

Mr. HALLEY. Do you expect anybody in the world to believe that?

Mr. OSADCHEY. Over a period of time I have met thousands of people there from all over the country.

Mr. HALLEY. And with how many of them have you gotten into a deal committing yourself to pay a thousand dollars a week?

Mr. OSADCHEY. That is the only one.

Mr. HALLEY. You bet.

Mr. OSADCHEY. There is nothing unusual about that. I work on the floor. I see people.

Mr. HALLEY. All right, we will keep moving. Then Burns told you that he had this Trans-America thing. Did you meet him on a third occasion to sign for the \$1,000 a week?

Mr. OSADCHEY. I met him two or three different times there, the few times that we talked.

Mr. HALLEY. Did he explain the equipment that you would need?

Mr. OSADCHEY. Yes, sir.

Mr. HALLEY. Did you buy that equipment?

Mr. OSADCHEY. Yes, sir.

Mr. HALLEY. Where did you buy it?

Mr. OSADCHEY. There isn't a whole lot of equipment.

Mr. HALLEY. It cost some money, didn't it?

Mr. OSADCHEY. No.

Mr. HALLEY. You had to get a ticker, you had to put a deposit down with Western Union.

Mr. OSADCHEY. Yes.

Mr. HALLEY. You had to get some telephones and you had to rent some space in which to operate.

Mr. OSADCHEY. Yes, sir.

Mr. HALLEY. You did all that?

Mr. OSADCHEY. Yes, sir.

Mr. HALLEY. Did you start paying the \$1,000 a week right away?

Mr. OSADCHEY. No.

Mr. HALLEY. When were you to start paying the \$1.00 a week?

Mr. OSADCHEY. Well, when we got started. I don't remember just when the times were.

Mr. HALLEY. You kept books?

Mr. OSADCHEY. Yes, sir.

Mr. HALLEY. And records?

Mr. OSADCHEY. Yes, sir.

Mr. HALLEY. And you had an accountant?

Mr. OSADCHEY. Yes, sir.

Mr. HALLEY. He has those books and records now?

Mr. OSADCHEY. Yes, sir.

Mr. HALLEY. And they will show when you started?

Mr. OSADCHEY. Yes, sir.

Mr. HALLEY. From your recollection you did after some time start paying a thousand dollars a week; is that right?

Mr. OSADCHEY. Yes, sir.

Mr. HALLEY. For wire service?

Mr. OSADCHEY. Yes, sir.

Mr. HALLEY. How were you to get your money? What were you to do in this deal?

Mr. OSADCHEY. I was to get the customers.

Mr. HALLEY. Who were your customers going to be?

Mr. OSADCHEY. Whoever I could sell service to.

Mr. HALLEY. And bookies. Nobody else buys wire service?

Mr. OSADCHEY. Well, anybody can buy it.

Mr. HALLEY. But nobody did; isn't that right?

Mr. OSADCHEY. Horse races.

Mr. HALLEY. You were in it. Did you ever have a customer who wasn't a bookie?

Mr. OSADCHEY. I don't know. We didn't question them.

Mr. HALLEY. Can you think of one who wasn't a bookie who you can swear wasn't a bookie?

Mr. OSADCHEY. We didn't question them.

Mr. HALLEY. You can't think of one you could swear was not a bookie, now, can you?

Mr. OSADCHEY. We didn't question them.

Mr. HALLEY. That is not the answer. Please answer the question. Can you think of one customer you had in the wire service whom you could take the oath here was not a bookie? That was a yes or no question; if you can think of one, say "Yes." If you can't, say "No."

Mr. OSADCHEY. I don't know—we didn't ask them whether they were bookies or not.

Mr. HALLEY. I am not asking you what you asked them. I asked if you knew anyone that you could say wasn't a bookie, that you could swear was not a bookie—one.

Mr. OSADCHEY. I don't know whether they were bookies or not, sir.

Mr. HALLEY. You certainly could not take the oath that even one of them was definitely not a bookie, could you?

Mr. OSADCHEY. I couldn't say they were and I couldn't say they were not. I didn't see them.

Mr. HALLEY. Were you ever in the establishment of any one of them, of any customer of yours?

Mr. OSADCHEY. No, sir.

Mr. HALLEY. Did the Last Chance buy your service?

Mr. OSADCHEY. Outside of the ones that I had myself.

Mr. HALLEY. You were a bookie yourself?

Mr. OSADCHEY. That is what I am saying.

Mr. HALLEY. You bought your own wire service?

Mr. OSADCHEY. That is just what I told you. I was never in any of theirs, outside of my own.

Mr. HALLEY. You as a bookie bought your own wire service, didn't you?

Mr. OSADCHEY. Yes, sir.

Mr. HALLEY. All right. Did you ever operate alone as just Eddie Spitz before taking in partners?

Mr. OSADCHEY. No, sir.

Mr. HALLEY. You never paid that thousand dollars a week yourself once, did you? Before you took in partners? Did you ever?

Mr. OSADCHEY. No, sir.

Mr. HALLEY. Then you took some partners in? Who did you take in?

Mr. OSADCHEY. Tano Lacoco, Morris Klein, Charlie Gargotta.

Mr. HALLEY. After you got some partners did you get some customers?

Mr. OSADCHEY. No, sir.

Mr. HALLEY. You didn't even operate after you got the three partners; isn't that right?

Mr. OSADCHEY. I will explain it.

Mr. HALLEY. Let's get the answer to that. You didn't operate even after you got your partners. You never paid that \$1,000 a week, did you?

Mr. OSADCHEY. Let's see. Did we pay the \$1,000 a week?

Mr. HALLEY. Let's start it this way—

The CHAIRMAN. After you got your partners did you operate? Did you start operation?

Mr. OSADCHEY. Yes, sir. I think so.

Mr. HALLEY. Before you took over Partnoy's service?

Mr. OSADCHEY. Yes, sir; I think—

Mr. HALLEY. Are you sure?

Mr. OSADCHEY. I don't remember. You know this is 4 or 5 years ago.

Mr. HALLEY. We will short-cut it. Very soon after you took in your partners you took over the existing wire service in Kansas City?

Mr. OSADCHEY. Very shortly afterward—first I went and talked to these different fellows.

Mr. HALLEY. What different fellows?

Mr. OSADCHEY. Morris Klein, Charles Gargotta, and Tano Lacoco. I even asked Charlie Binaggio if he wanted to go in with us. He said, "No," and he gave me two or three reasons why he didn't want to go in with it. He said to ask some of the other boys. They will help you with it.

Mr. WHITE. What did you need a partner for?

Mr. OSADCHEY. I don't know nothing about the gambling business, very little. I didn't know hardly anything when I first started.

Mr. WHITE. You knew enough to make this place up in Council Bluffs change from showing a loss to a terrific profit through your expert tutelage and direction.

Mr. OSADCHEY. Morris Klein set up the policy for the gambling and I set up the policy for the night-club end of it.

Mr. HALLEY. When did you get into Partnay's wire service?

Mr. OSADCHEY. So anyway I had made a deal with—

Mr. HALLEY. You took those four people in. None of you had made an investment at that point except a few dollars for a deposit for wire service.

Mr. OSADCHEY. That is right, sir.

Mr. HALLEY. A maximum of about \$1,500 between the four of you; is that right?

Mr. OSADCHEY. I forget just what the figure is, but it wasn't large. Then after I had made a deal with them—

Mr. HALLEY. Then you made a deal with Partnay?

Mr. OSADCHEY. Then phones were hard to get, you couldn't hardly get telephones. So then I went up and talked to Si.

Mr. HALLEY. Si who? Simon Partnay?

Mr. OSADCHEY. Yes.

Mr. HALLEY. Where did you see Si Partnay?

Mr. OSADCHEY. In his office.

Mr. HALLEY. What was that office?

Mr. OSADCHEY. Columbia Bank Building.

Mr. HALLEY. Did he have a business there?

Mr. OSADCHEY. Yes, sir.

Mr. HALLEY. What was the business?

Mr. OSADCHEY. He was operating the Harmony Publishing Co.

Mr. HALLEY. And the Harmony Publishing Co. at that time had the distributorship for the Continental wires service in Kansas City, is that right?

Mr. OSADCHEY. Yes, sir.

Mr. HALLEY. And for certain States to the west of Kansas City, is that right?

Mr. OSADCHEY. Yes, sir.

Mr. HALLEY. Now tell the committee how you muscled into that.

Mr. OSADCHEY. I did not muscle into it.

Mr. HALLEY. Go ahead and give the facts.

Mr. OSADCHEY. I went up and talked to Si and I explained to him that I had gotten this franchise for this other wire service and that I would be in competition with him. I asked him if there wasn't some way we could work out a deal where we could be together and maybe it would benefit both of us. I asked him how much money he was making. We talked in general. We finally agreed on a deal.

Mr. HALLEY. What was the deal you agreed on?

Mr. OSADCHEY. We were to give him \$7,500—

Mr. HALLEY. Over a period of 3 years?

Mr. OSADCHEY. Yes, sir.

Mr. HALLEY. \$2,500 a year, I believe.

Mr. OSADCHEY. I believe that is correct, sir.

Mr. HALLEY. That is dollars we are talking about.

Mr. OSADCHEY. Yes, sir. And 15 percent.

Mr. HALLEY. Of what?

Mr. OSADCHEY. Of the net earnings, and \$200 a week.

Mr. HALLEY. He was to stay there and work for you?

Mr. OSADCHEY. Yes, sir.

Mr. HALLEY. It had been his own business up to this time, right?

Mr. OSADCHEY. Yes, sir.

Mr. HALLEY. He had no other partners?

Mr. OSADCHEY. Yes, sir.

Mr. HALLEY. Shortly after that a man named Ragen was killed in Chicago, is that right?

Mr. OSADCHEY. I heard he had been killed. I read it.

Mr. HALLEY. You heard about a James Ragen, just about that time, is that right?

Mr. OSADCHEY. I don't know the time.

Mr. HALLEY. A little before or a little after?

Mr. OSADCHEY. I heard about it.

Mr. HALLEY. Very shortly after that Trans-America wire service was discontinued, wasn't it?

Mr. OSADCHEY. It was disconnected in 1947.

Mr. HALLEY. Then you got your service after that from Continental, isn't that right?

Mr. OSADCHEY. Yes, sir.

Mr. HALLEY. Isn't the sum total of what happened that through this Nation-wide muscle involving Trans-America you and Snag Klein and Lacoco and Gargotta ended up having exactly the same wire service and exactly the same customers that Partnoy had had and Partnoy ended up as your employee? Isn't that what happened?

Mr. OSADCHEY. No, sir.

Mr. HALLEY. You tell the committee what happened.

Mr. OSADCHEY. We lost our out-of-town business and just wound up with the business here in Kansas City.

Mr. HALLEY. That was the business that Partnoy had had, wasn't it?

Mr. OSADCHEY. Yes, sir.

Mr. HALLEY. So you ended up with his business, his source of news, and he ended up with a job; is that right?

Senator TOBEY. You owned the business and he worked for you, didn't he?

Mr. OSADCHEY. We owned it together, I might say.

Senator TOBEY. He was an employee, wasn't he?

Mr. HALLEY. He just so testified.

Mr. OSADCHEY. He had 15 percent of it.

Senator TOBEY. You had 85 percent?

Mr. OSADCHEY. I didn't have it.

Senator TOBEY. You and Gargantua?

The CHAIRMAN. No; the four of you had all of it, but you gave him a salary plus 15 percent of the profit, and he had no part of the capital investment.

Mr. OSADCHEY. He had more of it than we did, Senator.

The CHAIRMAN. What I mean is he didn't have any part of the capital investment at all. You paid him a salary plus 15 percent of the profit. The furniture and the equipment and the franchise and everything else belonged to the four of you.

Mr. OSADCHEY. It wasn't worth \$30.

The CHAIRMAN. Whatever it was worth, it belonged to the four of you.

Mr. OSADCHEY. He got more out of it than we did. I know what you think, but positively it isn't—

The CHAIRMAN. What do you think we think?

Mr. OSADCHEY. You think we pushed him around and he got nothing and he wound up with nothing; that we wound up with everything. That isn't true. He got more out of it than we did, and he made more money when he went with us than when he was by himself. Nobody pushed him around. The records and everything will prove that.

Senator TOBEY. Where is Partnoy now?

The CHAIRMAN. He was with us yesterday.

Mr. OSADCHEY. He is in the shade business.

The CHAIRMAN. The news service finally closed up about 3 months ago and he has gotten out of it and gotten into the shade business.

Mr. HALLEY. When Continental got back into operation did you get the franchise from Continental for the exclusive distributorship in the Kansas City area?

Mr. OSADCHEY. I got the franchise. I don't know whether it was exclusive or not.

Mr. HALLEY. You got the franchise?

Mr. OSADCHEY. Yes.

Mr. HALLEY. With whom did you negotiate to get the franchise?

Mr. OSADCHEY. I think I talked to Sylvester Farrell.

Mr. HALLEY. Sylvester Farrell. Is he the police commissioner? Let's take them one at a time. Who is Farrell? Is he the police commissioner?

Mr. OSADCHEY. We are talking about wire service.

Mr. HALLEY. Yes. You said you talked to Sylvester Farrell to get this franchise.

Mr. OSADCHEY. Farrell is with Continental.

Mr. HALLEY. Oh.

Mr. OSADCHEY. With Trans-No, Farrell is with the Mid-West Illinois News.

Mr. HALLEY. Where did you see him?

Mr. OSADCHEY. In Chicago.

Mr. HALLEY. Who else did you talk to?

Mr. OSADCHEY. Eddie Lenz.

Mr. HALLEY. In Chicago?

Mr. OSADCHEY. In Chicago, yes.

Mr. HALLEY. Anyone else?

Mr. OSADCHEY. No, sir.

Mr. HALLEY. Did you for a while take service from both Continental and Trans-America?

Mr. WHITE. Did you ever go to any customers of Continental and persuade them to take your service at the same time they were already taking Continental service?

Mr. OSADCHEY. I never persuaded them.

Mr. WHITE. So that a bookmaker would wind up with two information wires running into his building?

Mr. OSADCHEY. I don't know about that. I always tried to persuade them into taking ours.

Mr. WHITE. You did that in Oklahoma. You went down to do a little selling in Oklahoma, didn't you?

Mr. OSADCHEY. Yes, sir.

Mr. WHITE. And in Omaha?

Mr. OSADCHEY. Yes, sir.

Mr. WHITE. And in those two places the people had satisfactory service but you persuaded them that it would be to their advantage to take your service as well?

Mr. OSADCHEY. No.

Mr. WHITE. They did take it as well, didn't they?

Mr. OSADCHEY. No.

Mr. WHITE. Are you sure of that?

Mr. OSADCHEY. They didn't have two services.

Mr. HALLEY. They took your service, they bought it from you, is that right?

Mr. OSADCHEY. Continental had—I presume Continental—had service in Omaha.

Mr. HALLEY. How did you muscle into the Omaha area? What was your technique?

Mr. OSADCHEY. You keep using that word.

Mr. HALLEY. It is an accurate description of what happened. But you tell the committee how you did muscle into Omaha.

Mr. OSADCHEY. If you want the truth I will tell you how I originally got into Omaha.

Mr. HALLEY. Just go right ahead.

Mr. OSADCHEY. On this service Continental or some other company had service. I am with Trans-America. I got a wire up there. There was Continental and there was Trans-America, and Charles Hutter had the Trans-America. Doing business with him back and forth, that is how—I didn't know anybody in Omaha. That is how I got into the Stork Club deal, through Charles Hutter. Do you understand, Senator?

The CHAIRMAN. Yes, and Charles Hutter got arrested and put in jail down in Alabama, didn't he?

Mr. OSADCHEY. I don't know about his police record. I don't know.

The CHAIRMAN. You heard that, did you not?

Mr. OSADCHEY. I did; yes, sir.

The CHAIRMAN. How much profit did you take out of the wire service during the years you operated it?

Mr. OSADCHEY. I don't know offhand.

The CHAIRMAN. What is your best recollection? We have the records of course.

Mr. OSADCHEY. You have the exact records there.

The CHAIRMAN. What is your best recollection?

Mr. OSADCHEY. I don't know. I am confused. I don't want to give a guess.

Mr. HALLEY. The net was over \$40,000 a year, wasn't it?

Mr. OSADCHEY. In one year, in 1946, it seems to me like the gross was around \$60,000, and the net—I don't remember what the net was.

Mr. HALLEY. I have no other questions.

Senator TOBEY. Did you split with Binaggio on your income?

Mr. OSADCHEY. No, sir. The money I made I kept.

Senator TOBEY. Is it a fair statement to say that Binaggio and Gar-gotta were public enemies?

Mr. OSADCHEY. I don't—

Senator TOBEY. Would you so characterize them?

Mr. OSADCHEY. I don't think that Charlie Binaggio was.

Senator TOBEY. You think he was a virtuous man, a good citizen?

Mr. OSADCHEY. I think he was.

Senator TOBEY. And he got his, did he not? Did you ever feel the same nemesis might overtake you through some gunman some day because of your mix-up over these things?

Mr. OSADCHEY. I have never done a wrong thing in my life outside of a little gambling.

Senator TOBEY. I will take that at par. I will now question about your operations here.

Until these two offices of Standard closed for business on that Tuesday night, they daily received racing news from a service in Chicago operated by the new Capone gang, is that right?

Mr. OSADCHEY. I don't know who operated that service.

Senator TOBEY. You didn't know where it came from. And Standard was your company, was it not?

Mr. OSADCHEY. Standard; yes, sir.

Senator TOBEY. You sold the service to bookies here and subdistributors in other cities, did you not?

Mr. OSADCHEY. Yes, sir.

Senator TOBEY. You had rooms 530 and 531, did you not?

Mr. OSADCHEY. Yes, sir.

Senator TOBEY. You had your offices there. In 530 were 12 telephones, 11 connected and live telephones, but in a soundproof box there was a loudspeaker over which direct-from-track results arrived from Continental Press through Midwest and General at Chicago to subscribers in this area, is that correct?

Mr. OSADCHEY. Yes, sir.

Senator TOBEY. These were provided by telephones hanging on racks in a box near the speaker, is that right?

Mr. OSADCHEY. Well, yes.

Senator TOBEY. That box was soundproof, was it not?

Mr. OSADCHEY. Yes, sir.

Senator TOBEY. So it could be closed and no neighbors would know what was going on, is that right?

Mr. OSADCHEY. It wasn't enclosed so much for that purpose. That is the way it had to be in order for it to operate efficiently.

Senator TOBEY. There was a warning buzzer on the front door so you could turn it on and off, a switch.

Mr. OSADCHEY. There was no warning buzzer for that purpose. There was a buzzer there in case people walked in, and they were in the back room, that they would know someone was in the office. The doors were open. We never tried to operate—

Senator TOBEY. These direct-from-the-track results came down there with the last part of the race so the odds could be changed at the last minute so you would make more money than you would otherwise?

Mr. OSADCHEY. What is that?

Senator TOBEY. Did you have some inside information come to you there so you could make the odds on some of that gambling?

Mr. OSADCHEY. No, sir. That office strictly sold service—

Senator TOBEY. You and Lacoco never invested a cent in the race wire and never did a day of work in operating it; did you?

Mr. OSADCHEY. Yes, sir; I worked.

Senator TOBEY. How did you work?

Mr. OSADCHEY. I went all over trying to get customers and to save customers and keep from losing our customers. I have done a lot of work.

Senator TOBEY. Will you furnish us with a list of your bookmaking customers?

Mr. OSADCHEY. Can I?

Senator TOBEY. Yes.

Mr. OSADCHEY. I guess Partnoy can.

Senator TOBEY. How long would it take you to get it?

Mr. OSADCHEY. I will talk to Si when I leave here.

Senator TOBEY. Have you got any children?

Mr. OSADCHEY. One.

Senator TOBEY. How old?

Mr. OSADCHEY. Nineteen.

Senator TOBEY. A boy or girl?

Mr. OSADCHEY. Boy.

Senator TOBEY. Does he know what business you are in?

Mr. OSADCHEY. He does now.

Senator TOBEY. How long has he known?

Mr. OSADCHEY. Not very long.

Senator TOBEY. Does your wife know what business you are in?

Mr. OSADCHEY. She does now.

Senator TOBEY. She did not know it up until a certain point?

Mr. OSADCHEY. Yes, sir.

Senator TOBEY. Was that point Binaggio's death?

Mr. OSADCHEY. Yes.

Senator TOBEY. Does your family have considerable apprehension about your safety?

Mr. OSADCHEY. About my safety?

Senator TOBEY. Yes.

Mr. OSADCHEY. No, sir.

Senator TOBEY. Has your boy's and wife's attitude changed toward you since they knew what business you were in?

Mr. OSADCHEY. No, sir.

Senator TOBEY. They are standing by you?

Mr. OSADCHEY. Yes, sir.

Senator TOBEY. Are you glad to have your boy know what business you are in?

Mr. OSADCHEY. No, sir.

Senator TOBEY. Of course, this has nothing to do with this committee's work, but after all you are a human being and so I am. We are made in the same mold—physically, I mean. What I am getting at is this: Why in hell does a fellow who has as bright a mind as you have—and you have got a bright mind and could go places in legitimate business, what intrigues you about crooked business that makes you go into it and bring in and embroil a good woman and good son? When you die and pass on, they will say you were a gangster or gambler. What is there in it for you? What is there in it, dear friend? Tell us, will you, please? It is on the table here. No newspaper men are present. What is the answer to it that intrigues men like you?

Mr. OSADCHEY. I tell you. When I got out of the Army everybody was making a lot of money and had made a lot of money. My business went to the devil. Everybody who worked for me stole from me. I thought I could make some money that was legitimate, seemed legitimate to me. I inquired if it was, and I went into it.

Senator TOBEY. You know the expression that love of money is the root of all evil, and we may all have that in our make-up. What I am getting at is, where does this country get off? Where are we going to get off in this country? It started out pretty fine with some ideals. If we have an influx of men and minds and individuals like Mr. Spitz and others—I am not singling you out—who look for easy money the easy way and think the desideratum in life is money and more money all down through, what becomes of our institutions and decencies and humanities and the things that are worth having in this world? They are all going to hell, aren't they? They are going down all the time.

Mr. OSADCHEY. Yes, sir.

Senator TOBEY. The standards are being lowered and you are contributing to it, are you not? Why in the devil do you not turn right about-face and say, "I would rather be a doorkeeper in the House of my Lord or have a crust of bread and milk and look every man in the face and have no regrets"? Where is Binaggio today? Where is Gargotta? They are gone. What do people say about them? A couple of rats, they call them. You don't want them to call you that. Why do we not wake up and cast the scales from our eyes and see clearly and make a step forward in the right way?

Mr. OSADCHEY. I have. I am out of the gambling business. I am through with it.

Senator TOBEY. I think, my dear friend, you have been doing a magnificent job of fencing. You know in your heart how crooked and rotten these things are. You ought to hate yourself for being in them, so you are fencing around not to implicate yourself and to get the best answer across in the record that you can. But your name is legion in this country. The Senate of the United States has instructed us to make an examination of this thing. We can only scratch the surface. We see the corrupt practices and ask, What is the answer? How are we going to purge this Nation of ours of these things when fellows like you carry on? You say you are out of it. The only reason you got out of it was the handwriting on the wall. You would get yours the next time. The same gunman or someone like him would come and you would go the same way. That is the fate of this business. What is it worth? Do you see my point?

Mr. OSADCHEY. Yes, sir.

Senator TOBEY. Am I right or wrong?

Mr. OSADCHEY. You are right, sir.

Senator TOBEY. I have no more.

The CHAIRMAN. Spitz, do you know who stole the ballots?

Mr. OSADCHEY. No, sir.

The CHAIRMAN. Do you know why they were stolen?

Mr. OSADCHEY. No, sir.

The CHAIRMAN. Why do you think they were stolen?

Mr. OSADCHEY. I don't have any idea, sir.

The CHAIRMAN. Do you think some of the Binaggio group got them, somebody from out of the city or what?

Mr. OSADCHEY. I wouldn't know. I wouldn't know that one way or another.

The CHAIRMAN. Do you have a good idea who killed Binaggio and Gargotta?

Mr. OSADCHEY. No, sir; I don't.

The CHAIRMAN. What is your idea about the reason they got killed?

Mr. OSADCHEY. I don't know that, either, sir.

The CHAIRMAN. You are just completely blank on the subject?

Mr. OSADCHEY. Yes, sir.

The CHAIRMAN. This Last Chance place out here, that is the place where the story was that it was on the Missouri-Kansas border and neither State exactly knew whether it was in its jurisdiction. Isn't that correct?

Mr. OSADCHEY. Yes, sir.

The CHAIRMAN. You would have gambling in one end, say in the Missouri end, and if the cops came you could move over to the Kansas end of the building?

Mr. OSADCHEY. Yes, sir.

The CHAIRMAN. Is that right?

Mr. OSADCHEY. Yes, sir.

The CHAIRMAN. Back and forth?

Mr. OSADCHEY. Yes, sir.

The CHAIRMAN. Did you do that sometimes?

Mr. OSADCHEY. A lot of times.

The CHAIRMAN. Then you could just thumb your nose at the cops on the other end.

Mr. OSADCHEY. So to speak.

The CHAIRMAN. I see.

Senator TOBEY. You know, Mr. Chairman, if I had been one of those cops, I would have gone across and brought them back and knocked them cold and said "Here they are in Kansas territory."

The CHAIRMAN. How many times did you do that, move from one end to the other to avoid the police?

Mr. OSADCHEY. Several times.

The CHAIRMAN. Five times, 10 times?

Mr. OSADCHEY. I wasn't there all the time, but it has been done on a number of occasions.

The CHAIRMAN. Did the police of both States ever get there at the same time?

Mr. OSADCHEY. No, sir. I believe they did a time or two.

The CHAIRMAN. Who did you pay off out there so you could operate?

Mr. OSADCHEY. There was no pay-off, sir.

The CHAIRMAN. No pay-off?

Mr. OSADCHEY. Really. Of course one time they came in and busted the wall down.

The CHAIRMAN. You had one room on the Kansas side and one room on the Missouri side and you just moved back and forth, depending on which police were there?

Mr. OSADCHEY. Yes, sir.

The CHAIRMAN. And according to which place was the hottest at the time?

Mr. OSADCHEY. Yes, sir.

The CHAIRMAN. Mr. Goulding owned that building, Mr. John Goulding; did he not?

Mr. OSADCHEY. Yes, sir.

The CHAIRMAN. How much rent did you pay Mr. Goulding?

Mr. OSADCHEY. I think it was around \$10 a day or something like that.

The CHAIRMAN. \$10 a day. How much of a cut did he get?

Mr. OSADCHEY. He got 25 percent.

The CHAIRMAN. Twenty-five percent. Was he a partner in the undertaking?

Mr. OSADCHEY. Yes, sir.

The CHAIRMAN. He got 25 percent just like you got 25 percent?

Mr. OSADCHEY. I didn't get that much.

The CHAIRMAN. You got 10½ percent; did you not?

Mr. OSADCHEY. Whatever the figure was.

The CHAIRMAN. He got more than you did?

Mr. OSADCHEY. Yes, sir.

The CHAIRMAN. Did he put any money into the bank roll?

Mr. OSADCHEY. Yes, sir. He put in his share, 25-percent share.

The CHAIRMAN. His 25 percent of \$10,000 bank roll?

Mr. OSADCHEY. Yes, sir.

The CHAIRMAN. Was he in this bank roll every time the Last Chance operated that you were also in it? You were in it on about three different occasions.

Mr. OSADCHEY. Yes, sir.

The CHAIRMAN. Was he in on each of those occasions?

Mr. OSADCHEY. He was in it every time it ran, naturally. It was his business.

The CHAIRMAN. But there would be such a thing that he could rent you the building without actually participating in the bank roll.

Mr. OSADCHEY. No. He was in it every time I was.

The CHAIRMAN. Was he out there and help manage the establishment, this Mr. Goulding?

Mr. OSADCHEY. Yes. He helped some, surely.

The CHAIRMAN. Any other questions, gentlemen?

Mr. GOLDSCHEN. I have a few.

The CHAIRMAN. Let us finish up with Mr. Spitz right away.

Mr. GOLDSCHEN. How long did you know Hutter before he came down to see you about the Stork Club?

Mr. OSADCHEY. I had met him a time or two, I guess. I don't recall.

Mr. GOLDSCHEN. How long?

Mr. OSADCHEY. How long?

Mr. GOLDSCHEN. Yes.

Mr. OSADCHEY. I don't recall, Mr. Goldschein. I met him before.

Mr. GOLDSCHEN. He came down to your place of business, did he not, from time to time?

Mr. OSADCHEY. Yes, sir.

Mr. GOLDSCHEN. And you saw him there?

Mr. OSADCHEY. Yes, sir.

Mr. GOLDSCHEN. You knew he was convicted for holding up a night club down in Alabama, did you not?

Mr. OSADCHEY. No, sir; I didn't know.

Mr. GOLDSCHEIN. You never heard that before?

Mr. OSADCHEY. Yes, I heard it later.

Mr. GOLDSCHEIN. All right. Did you not hear that Einar Abrams sold the Stork Club because somebody stuck a gun in his back and told him he had to sell?

Mr. OSADCHEY. No.

Mr. GOLDSCHEIN. You never heard that?

Mr. OSADCHEY. No, sir.

Mr. GOLDSCHEIN. To be a little more specific, did you not hear that he was taken out of the Stork Club one time into the cornfield in back of the Stork Club, beyond the Stork Club, and a gun was put in his back and he was told he had to sell?

Mr. OSADCHEY. I think I read something in the paper one time that I did that.

Mr. GOLDSCHEIN. That you did that?

Mr. OSADCHEY. Yes.

Mr. GOLDSCHEIN. Did you?

Mr. OSADCHEY. What do you think?

Mr. GOLDSCHEIN. I am asking you.

Mr. OSADCHEY. What do you think?

Mr. GOLDSCHEIN. That isn't important. Did you hear that Hutter did that?

Mr. OSADCHEY. No. I think I read that in the paper one time.

Mr. GOLDSCHEIN. After Hutter came down and offered to sell you the club for \$20,000, did you agree to buy it?

Mr. OSADCHEY. Mr. Hutter wasn't trying to sell it, he was trying to work out a deal.

Mr. GOLDSCHEIN. He came down to see you. He wasn't employed by you, was he?

Mr. OSADCHEY. No, but I was selling him service at the time. That is how I originally got into the thing. I know it sounds a little silly, Mr. Goldschein, but I had been selling him service. We had been visiting back and forth, naturally, and when this thing came up he said, "I think there is a pretty good deal up here. I think we can make some money. If I work it out, would you be interested?" I said, "Go ahead."

Mr. GOLDSCHEIN. After you made the deal with him for him to go on and buy it for \$20,000, he went up to see Barnes and sold Barnes a half interest for \$20,000?

Mr. OSADCHEY. Yes.

Mr. GOLDSCHEIN. Why did he go to Barnes after he sold you the interest for \$20,000?

Mr. OSADCHEY. He told me that these fellows are pretty good operators and getting a lot of business, and I believe it would be a pretty smart thing to have these fellows with us, and also he says I think they will put up the 20 grand. In that way they would get a free ride.

Mr. GOLDSCHEIN. If he could get a free ride from Barnes, what did he want from you?

Mr. OSADCHEY. He had already made the deal with us. It was the same way with me when I got the service.

Mr. GOLDSCHEIN. Did you hear the Stork Club just prior to that had been bombed?

Mr. OSADCHEY. No, I didn't know that. I had no interest in Omaha and naturally I would have no occasion to know it.

Mr. GOLDSCHEIN. But you heard the front door had been blown in with a bomb?

Mr. OSADCHEY. Later I heard it had been bombed.

Mr. GOLDSCHEIN. You also heard that there was a bomb placed in this place in St. Joe, a gambling house in St. Joe, just about the same time?

Mr. OSADCHEY. I heard it. I don't remember what the times were now.

Mr. GOLDSCHEIN. Wasn't it approximately the same time that the St. Joe place was bombed that the Stork Club was bombed?

Mr. OSADCHEY. I don't remember the time.

Mr. GOLDSCHEIN. Did you ever connect Hutter with any of those bombings?

Mr. OSADCHEY. No.

Mr. GOLDSCHEIN. You don't think he would have anything to do with that?

Mr. OSADCHEY. How would I know?

Mr. GOLDSCHEIN. You heard that he had been sent to the penitentiary for holding up a night club?

Mr. OSADCHEY. That doesn't mean he would bomb a place in St. Joe. How would I give that a thought? I wouldn't know that.

Mr. GOLDSCHEIN. Did you know that Bugsy Siegel was one of those that organized the Trans-America News Service?

Mr. OSADCHEY. No, sir.

Mr. GOLDSCHEIN. Never heard that?

Mr. OSADCHEY. No. I didn't know Bugsy Siegel.

Mr. GOLDSCHEIN. I am asking you whether or not you ever heard that he was one of those who organized the Trans-America News Service.

Mr. OSADCHEY. No, sir; I never heard that.

Mr. GOLDSCHEIN. Never heard that at any time?

Mr. OSADCHEY. I am giving you my word I didn't hear it.

Mr. GOLDSCHEIN. What other gambling operations were you connected with other than the Stork Club and the Last Chance?

Mr. OSADCHEY. 1711 Club.

Mr. GOLDSCHEIN. Where is that located?

Mr. OSADCHEY. On Woodland, Ninth and Woodland.

Mr. GOLDSCHEIN. That is where Lacoco, Gargotta, and Nigro were.

Mr. OSADCHEY. And the other place was Thirty-first and Woodland.

Mr. GOLDSCHEIN. Each one of those had a \$10,000 bank roll, didn't they?

Mr. OSADCHEY. Yes, sir.

Mr. GOLDSCHEIN. Who holds the bank roll?

Mr. OSADCHEY. Whoever was there in charge.

Mr. GOLDSCHEIN. Who was in charge? Was it Nigro in the Ninth and Woodland place?

Mr. OSADCHEY. Yes.

Mr. GOLDSCHEIN. Who was at the Thirty-first and Woodland?

Mr. OSADCHEY. Different people at different times, who happened to be there. If I was there I would hold it.

Mr. GOLDSCHEIN. All right. What other places were you connected with?

Mr. OSADCHEY. Boulevard, Kay Hotel, the Boulevard.

Mr. GOLDSCHEIN. Who was in there?

Mr. OSADCHEY. Morris Klein and the Kay Hotel.

Mr. GOLDSCHEIN. Just a crap game?

Mr. OSADCHEY. Yes.

Mr. GOLDSCHEIN. What others?

Mr. OSADCHEY. That is all.

Mr. GOLDSCHEIN. Did you have any piece of any books in town?

Mr. OSADCHEY. No, no. That is something I never did do.

Mr. GOLDSCHEIN. You didn't have any. The only gambling houses you had any connection with are those that you have just told us?

Mr. OSADCHEY. Yes.

Mr. GOLDSCHEIN. None others?

Mr. OSADCHEY. To the best of my recollection.

Mr. GOLDSCHEIN. Oh, come on now. We are talking about gambling houses now.

Mr. OSADCHEY. That is it.

Mr. GOLDSCHEIN. What do you mean "best of my recollection."

Mr. OSADCHEY. Let's go over them again if you are going to pin me down.

Mr. GOLDSCHEIN. I am going to pin you down. I want to know what gambling places you were connected with. Name them.

Mr. OSADCHEY. Thirty-first and Woodland, Boulevard, the one on 1711.

Mr. GOLDSCHEIN. All right.

Mr. OSADCHEY. Kay Hotel.

Mr. GOLDSCHEIN. All right.

Mr. OSADCHEY. That is all.

Mr. GOLDSCHEIN. Were you connected with the Southwest Boulevard place when Reneger was connected with it?

Mr. OSADCHEY. No, sir.

Mr. GOLDSCHEIN. How long after he was murdered did you get in that?

Mr. OSADCHEY. I was in the Army at that time.

Mr. GOLDSCHEIN. No, he was murdered in 1947, wasn't he?

Mr. OSADCHEY. I don't remember.

Mr. GOLDSCHEIN. When did you first get in the Last Chance?

Mr. OSADCHEY. I first got in there in 1947 in October, I believe it was, 1947.

Mr. GOLDSCHEIN. Were you ever in any of those operations with Jaben?

Mr. OSADCHEY. I have never done any business with Jaben.

Mr. GOLDSCHEIN. That is all for right now.

Mr. HALLEY. Mr. Chairman, could you instruct the witness that he continues under subpoena and is subject to the call of the committee in the future?

The CHAIRMAN. Spitz, I don't think we will need you any more today. Is that correct?

Mr. HALLEY. That is correct.

The CHAIRMAN. But this is only a part of the inquiry of this committee and the subpoena that you have served on you now will continue in effect subject to your being recalled for further examination. When you are advised about when the committee will be here again or you find out about it, we would like for you to be on hand.

Mr. OSADCHEY. All right, sir; I will certainly be here.

The CHAIRMAN. That is all, I believe at this time.

Mr. OSADCHEY. O. K. I hope that I didn't seem to be obstinate. I tried to do the best I could.

Mr. HALLEY. I would advise you to get a good lawyer and by a good one I mean one who is thinking of your interest and not trying to build up a fee in a criminal prosecution for you, an honest one.

(Brief recess.)

The CHAIRMAN. Call Mr. Farrell.

Mr. Farrell, do you solemnly swear the testimony you will give this committee will be the whole truth, and nothing but the truth, so help you God?

Mr. FARRELL. I do.

#### TESTIMONY OF SHERIDAN E. FARRELL, KANSAS CITY, MO.

The CHAIRMAN. We have a rule here that we cannot smoke. Several of us would like to smoke.

At this point I want to put into the record as exhibits to the testimony of J. L. Milligan letters of April 27, two copies of letters of April 27 and April 21 to Governor Smith by the chamber of commerce.

(See pages 58 and 59 of part 4 of the hearings of the committee.)

Mr. GOLDSCHEIN. Your full name?

Mr. FARRELL. Sheridan E. Farrell.

Mr. GOLDSCHEIN. Where do you live?

Mr. FARRELL. 2446 Elmwood.

Mr. GOLDSCHEIN. What is your business?

Mr. FARRELL. Hotel business.

Mr. GOLDSCHEIN. The Phillips Hotel?

Mr. FARRELL. Phillips Hotel; yes, sir.

Mr. GOLDSCHEIN. What is your position with the Phillips Hotel?

Mr. FARRELL. Manager.

Mr. GOLDSCHEIN. How long have you been there?

Mr. FARRELL. Let's see; I went there in '32. Eighteen years.

Mr. GOLDSCHEIN. Do you have any other financial interests in Kansas City?

Mr. FARRELL. No, sir.

Mr. GOLDSCHEIN. Up until a short time ago you were a member of the Police Board of the City of Kansas, were you not?

Mr. FARRELL. Yes, sir.

Mr. GOLDSCHEIN. I believe you resigned?

Mr. FARRELL. Yes, sir; I did. I think it was March 25, if I am not mistaken.

Mr. GOLDSCHEIN. How long were you a member of that police board?

Mr. FARRELL. I think about 11 months.

Mr. GOLDSCHEIN. Appointed by whom?

Mr. FARRELL. Gov. Forrest Smith.

Mr. GOLDSCHEIN. What was the occasion of your resignation?

Mr. FARRELL. In the first place, I am in the hotel business. We had a lot of bum publicity on it, as you know. You read it all over the country. I talked to my boss, Mr. Phillips, and he said, "Farrell, do what you want to do about it." There is no use taking all this heat over nothing, so I would rather resign because it wasn't worth it. They were making accusations of crookedness, and so on, in the police department. They mentioned the Phillips Hotel name, and I was part of it. It had gone all over the Nation and I didn't think it was worth it.

Mr. GOLDSCHEIN. Mr. Farrell, who were the other members of the police board while you were?

Mr. FARRELL. Robert Cohn, Tuck Milligan, J. L. Milligan, and Hampton Chambers.

Mr. GOLDSCHEIN. While you were on the police board was there a difference of opinion between the members of the board as to the policy of the police department?

Mr. FARRELL. Truthfully I don't think there was. I can say this—if you want me to tell the story.

Mr. GOLDSCHEIN. Yes.

Mr. FARRELL. When we first went in there we were appointed and were supposed to have three Democrats and one Republican on it. All of them are my friends. I knew them all for years. The first move was the fact that they wanted to put, I think it was Milligan or somebody, wanted to put a fellow on there in place of Johnson, the chief of police. We had all talked about it. These two would not go with us two. As far as that was concerned, I didn't even know the other fellow. I didn't know anything about him. I don't even know him yet. I never saw him. We thought the man had been in the police department for about 6 years and when I went in there I asked him to make some changes of the leaders, not the A, B, C patrolmen. I think the man who is in charge of the district should be responsible for his district. I said, "Chief, you are changing your class A, B, and C patrolmen. Why don't you switch some of these leaders around so they will know what is going on in the district? He should be responsible for that district, not the fellow who is working in the field, because he can get lazy and wouldn't do nothing, and let things go by."

He said, "I am going to do that," but he never did do it. Since we have been out the chief has changed some of the captains.

Mr. GOLDSCHEIN. Is that the only reason you wanted a new chief of police?

Mr. FARRELL. I am sure that is it; yes. I got along with Hank pretty good.

Mr. GOLDSCHEIN. Mr. Farrell, there is a great deal of talk about difference in policy between members of the police board. Some wanted a closed town and others wanted an open town. You were reputed to be one of those who wanted an open town. Is that true?

Mr. FARRELL. That is correct, open to a certain extent of course.

Mr. GOLDSCHEIN. Just what do you mean by an open town?

Mr. FARRELL. We have no life in the town at night here, no night club. They can't operate and run. I figure if they had night clubs around a few places it would pay a little more revenue to the State and city. I think it would help the city when people come to town. They don't come to town to go to bed, I think. Any number of times people will call me from Oklahoma City or Omaha or Sedalia and say, "Is anything going on down there, night clubs or anything?" We don't have a one. I was in the city council here for 4 years. I took it up with Jack Gage. Do you know Mayor Gage?

Mr. GOLDSCHEIN. No.

Mr. FARRELL. He said when we would go around to Chicago we always have a little fun. Mind you, the liberal standing on my part, I am against anything crooked in any shape or form. You don't

have to be crooked to have fun. These night clubs go out and they drink—

Mr. GOLDSCHEIN. What was your position with reference to these gambling houses?

Mr. FARRELL. There wasn't any gambling house that I know of outside of the one on the avenue down there.

Mr. GOLDSCHEIN. What avenue?

Mr. FARRELL. What do you call it? Last Chance?

Mr. GOLDSCHEIN. On the State line.

Mr. FARRELL. The State line, yes. We would raid the little nickel and 10-cent crap games all the time but go out there and there would be 8 or 10 fellows in the back of the garage, raiding them all the time.

Mr. GOLDSCHEIN. Were you surprised when you saw that list of gambling houses that the grand jury referred to in their interim presentment?

Mr. FARRELL. You mean after I was out of there or while we were in office?

Mr. GOLDSCHEIN. While the grand jury was in session here just a few months back, the Federal grand jury, they returned an interim report that was published in all the papers.

Mr. FARRELL. If I am not mistaken—I tried to find that paper. There was a list printed even before we went into the police department of 8 or 10 or 12 places, giving the address and who was operating them. The Kansas City Star had that. We couldn't find it anywhere. Truthfully I am sure I will find in the year we were in there I don't think there was a crap game going. If they did they were closed up in a day or so. There might have been a few Negro joints.

Mr. GOLDSCHEIN. Did you ever hear of Walnut Recreation?

Mr. FARRELL. No, sir.

Mr. GOLDSCHEIN. Thirty-first and Holmes?

Mr. FARRELL. Thirty-first and Holmes, I remember that, but that was before our time.

Mr. GOLDSCHEIN. I see. What is your position with reference to these crap games operating? Is that part of the liberal program?

Mr. FARRELL. No, it isn't. I think in your business you have conventions. In Kansas City there is hardly ever a convention comes to Kansas City, I think, that after the banquet a bunch of nice men get together and shoot craps between themselves. I don't see anything wrong with that. As far as commercial gambling, I am not in favor of that and never was.

Mr. GOLDSCHEIN. How about these bookmaking joints that were operating?

Mr. FARRELL. Well, I am not against a man betting on a race horse. They do it all over America. It is not legal. I would like to see them legalized so we could get some revenue out of it.

Mr. GOLDSCHEIN. How about the way they are operating now, or have been?

Mr. FARRELL. Let's see. In Kansas City I imagine the last couple of years there have been two or three of them out on the sly working one place and another back and forth.

Mr. GOLDSCHEIN. You don't think there was any large-scale bookmaking operations?

Mr. FARRELL. No.

Mr. GOLDSCHEIN. How about the numbers racket? Did you know Tralle?

Mr. FARRELL. I knew him years ago. I hadn't seen him for 3 or 4 years. Bud Tralle?

Mr. GOLDSCHEIN. Bud Tralle.

Mr. FARRELL. Yes, he is dead, isn't he?

Mr. GOLDSCHEIN. Yes. Did you know him?

Mr. FARRELL. Yes, sir.

Mr. GOLDSCHEIN. Did you know he was the largest numbers operator in town?

Mr. FARRELL. I certainly did not. What do you call it, Half Hill Tavern out on the highway, I think. That was where I knew him.

Mr. GOLDSCHEIN. What is your position with reference to all this gambling? What was it at the time you were commissioner?

Mr. FARRELL. When I was in the commission I am sure that I couldn't find a crap game if I wanted one.

Mr. GOLDSCHEIN. Of course you couldn't, but what was the policy of the police department with reference to it?

Mr. FARRELL. We told them to raid them. I will tell you the experience that I had. I think you know this fellow Tigerman.

Mr. GOLDSCHEIN. Yes, a funeral parlor bookmaker.

Mr. FARRELL. Yes. He called me one day and said, "The police are around here." I forgot what the address is right now. I was in the office. He said "They are going to break up my place." I said "What for?"

He said, "There is no gambling out here. Two ladies are out here, but there is no gambling. Nobody is allowed in the place."

I said, "Why are they going to break up your place?"

He said, "I don't know. The police are out here."

I said "Let me talk to the captain."

I talked to him and he said, "They are running a gambling house out here."

I said, "Are they gambling?"

He said, "There is nothing here."

I asked, "Could you use it in court if there is nothing there? How can you arrest them if you have no evidence to present in court?"

He said, "The chief told me to come out."

I called the chief and said "What is happening out at that place?"

He said "I told that captain if there wasn't any gambling there to forget about it."

That is what happened. There wasn't any gambling there. In fact they had the doors closed so you couldn't even get in.

Mr. GOLDSCHEIN. Did you know Tigerman?

Mr. FARRELL. Yes.

Mr. GOLDSCHEIN. How long had you known him?

Mr. FARRELL. I knew him 25 years.

Mr. GOLDSCHEIN. All that time he was reputed to be a bookmaker, was he not?

Mr. FARRELL. No, I never knew him to be a bookmaker.

Mr. GOLDSCHEIN. You never knew him to do that?

Mr. FARRELL. No, sir. I never went out in that district very much.

Senator TOBEY. Was he an undertaker?

Mr. FARRELL. Yes, sir. That is all I knew him by. In the old days, the old Democratic Party, most of those bodies out to the morgue and things. He was hustling all the time, I know that. I never did know him as a bookmaker. That is for sure. This deal here when it happened he said he was running a gambling joint. I don't know whether bookie or craps. There wasn't any gambling in it. Nobody could get in.

Mr. GOLDSCHEIN. He had several telephones there.

Mr. FARRELL. Two telephones.

Mr. GOLDSCHEIN. And scratch sheets.

Mr. FARRELL. I don't know about that. I have never been in the place.

Mr. GOLDSCHEIN. Did you ask the captain if there were scratch sheets?

Mr. FARRELL. I asked him if there was gambling there and he said there wasn't.

Mr. GOLDSCHEIN. In bookmaking places there never is any gambling. The bets are taken over the telephone, aren't they?

Mr. FARRELL. I don't know unless he had the books some place else. He wouldn't take bets over the telephone, I don't think. They could some, I imagine, if they knew someone.

Mr. GOLDSCHEIN. Did you know Charles Binaggio?

Mr. FARRELL. Yes, sir.

Mr. GOLDSCHEIN. How well did you know him?

Mr. FARRELL. I knew him I guess ever since he was a kid. I would say 25 years, 20 years.

Mr. GOLDSCHEIN. Did you ever have any conversation with him, did he ever come up to see you with reference to placing people on the police department?

Mr. FARRELL. No, sir; never, never once.

Mr. GOLDSCHEIN. Did he ever talk to you about changing the chief of police?

Mr. FARRELL. No, sir; never did.

Mr. GOLDSCHEIN. Did he ever talk to you about having an open town?

Mr. FARRELL. Never did. I will say this at this point. He did say that they wouldn't allow any gambling in this town. I will tell you why. He was figuring on running a pretty decent place because he really figured on getting into the city hall in the spring election. I think that was the idea of it. He didn't want any heat on his organization here, the Fifteenth Street Club.

Mr. GOLDSCHEIN. When you say he didn't want, how do you know he didn't want?

Mr. FARRELL. He said it. He told me that they weren't going to stand for any gambling around this town as long as he knows the gambling racket. I belong to that club out there, the Fifteenth Street Club. It wasn't only Binaggio. It was Henry McKissick, George Clarke, and a bunch of people. I would say about 90 percent of them were negroes, colored.

Mr. GOLDSCHEIN. Did you know that he had a fourth interest in the enterprise or bookmaking operation?

Mr. FARRELL. No. The only fellow I think I knew was Gizzo, Coates House.

Mr. GOLDSCHIEIN. Didn't you know Gizzo was a partner of Binaggio's?

Mr. FARRELL. Never did.

Mr. GOLDSCHIEIN. Did you know Gargotta?

Mr. FARRELL. Yes, Charlie Gargotta.

Mr. GOLDSCHIEIN. How long had you known him?

Mr. FARRELL. I imagine about the same time, 25 years or so.

Mr. GOLDSCHIEIN. Did you ever have any business deals with him?

Mr. FARRELL. No.

Mr. GOLDSCHIEIN. Or with Charlie Binaggio?

Mr. FARRELL. I never had dealings, you might say, with any of them. When I went to that board I knew Forrest Smith for 30 years anyhow. I used to be over at the old Baltimore, I went there in 1908. When he was State auditor I got very well acquainted with him.

Mr. GOLDSCHIEIN. Senator?

Senator TOBEY. Is Smith a high-grade fellow?

Mr. FARRELL. I always thought so. I thought he was just a country man and was trying to make friends with everybody. I think he did try.

Senator TOBEY. What do you think of him now on his record?

Mr. FARRELL. He doesn't look so good.

Senator TOBEY. He looks like a weak one, does he not?

Mr. FARRELL. Yes, he does.

Senator TOBEY. Were you surprised when Charlie Binaggio was bumped off?

Mr. FARRELL. I really was.

Senator TOBEY. Do you think he had fear of it coming to him?

Mr. FARRELL. Well, they say—let me answer it this way: One time I said, "Charlie, have you got your income tax straightened out with the Government?"

He said, "Don't owe them a cent. For 10 years every nickel I have taken out of everything has been paid in, so," he said, "I am not afraid of the Government part of it."

That is as far as he went. So he must have had something in his mind.

Senator TOBEY. What do you think was the reason he was killed?

Mr. FARRELL. I hear so many rumors I don't know which one to believe. Some say he had sums of money involving some eastern people and he didn't make good what he was supposed to. The way I understand it from reading it, he was supposed to have gambling or something going on. "I will take an oath, I swear one thing," he said to me, "I won't have any gambling in this town."

Senator TOBEY. Do you think that was the reason, they were sore because he would not have gambling?

Mr. FARRELL. He didn't say that. That is the rumor.

Senator TOBEY. You told us a while ago he had decreed there would not be any gambling.

Mr. FARRELL. That is right.

Senator TOBEY. Do you think that is the reason they bumped him off?

Mr. FARRELL. From the rumors that looks like it would be it.

Senator TOBEY. Have you any suspicion who did that? Out-of-town men, gangmen or in-town men? What do you think?

Mr. FARRELL. The nearest I can read it and study it, someone had to know him awfully well personally, someone, because I understand that he has a very nice wife and little baby. As far as I know Charlie Binaggio, he was very polite and pleasant to everybody. I never did see him get out of line with anybody.

Senator TOBEY. His wife has been interviewed by the authorities?

Mr. FARRELL. Oh, yes.

Senator TOBEY. This guy Gargotta was a different type?

Mr. FARRELL. Yes.

Senator TOBEY. He was a killer?

Mr. FARRELL. Yes.

Senator TOBEY. Were they close friends?

Mr. FARRELL. They were closer friends the last 6 or 7 years than they have ever been.

Senator TOBEY. What did they have in common?

Mr. FARRELL. I don't know, only from the papers; I think they were in business together. I read the stories in the paper about them.

Senator TOBEY. Would you go so far as to call both of them public enemies?

Mr. FARRELL. I wouldn't. I wouldn't call Binaggio a public enemy as much as I know about him. Never did really know anything wrong about the boy until after this all came out and then he was in everything. I have known him for many, many years. I used to work down in the North End and I ran for the council from the first district and he would run these organizations down there.

Senator TOBEY. How did Pendergast fit with Binaggio?

Mr. FARRELL. They didn't fit so good.

Senator TOBEY. Did it ever occur to you that somebody who didn't fit so good might be in back of the killing of Binaggio?

Mr. FARRELL. There is a possibility. I know somebody wanted him out of the way, that's for sure.

Senator TOBEY. Would it be very difficult for John Brown if he didn't like Binaggio to hire somebody not very far away from Kansas City to put him out of the way?

Mr. FARRELL. It could be. I say someone had to know that man very well to get him to come downtown from his home and meet Gargotta, meet him out at the Last Chance and to go over to that clubroom at night. I don't think he was ever there in his life only on election time. Somebody had to know him awfully well to bring him in there.

Senator TOBEY. What about the stealing of the ballots. Was that an issue when that happened?

Mr. FARRELL. Absolutely. I don't know what they were going to gain.

Senator TOBEY. Do you feel the fact the ballots were stolen was evidence of guilt on the part of somebody?

Mr. FARRELL. I don't think there is any doubt about it.

Senator TOBEY. A school child would know that?

Mr. FARRELL. Yes.

Senator TOBEY. Who could it be, probably, in your reasoning?

I am sure you have talked this over with yourself in your hotel and alone. What is your idea?

Mr. FARRELL. I have talked it over with different people. I can't see the idea of a man stealing a ballot box, especially in a locked place,

somebody in the courthouse should know something about it. Do you think I could walk into that courthouse and go into a man's office and open up his safe and nobody know about it?

The CHAIRMAN. The safe was dynamited, was it not?

Mr. FARRELL. Yes. Somebody has to know something about that. But who I don't know.

Mr. HALLEY. Mr. Farrell, when were you last in Last Chance gambling establishment?

Mr. FARRELL. Oh, I haven't been in there—I imagine, 5 or 6 years ago was the last I was ever in there.

Mr. HALLEY. Were you not in there in the last year?

Mr. FARRELL. No, never.

Mr. HALLEY. You know what it is.

Mr. FARRELL. Yes, I know where the place is there.

Mr. HALLEY. Where it is located?

Mr. FARRELL. I think I was there once. There was a restaurant there. I don't know what the number is. There is a restaurant and bar or something. You go through this restaurant.

Mr. HALLEY. A gambling game in the back?

Mr. FARRELL. Yes.

Mr. HALLEY. Binaggio has a piece of it?

Mr. FARRELL. I didn't know that until after this happened. I think Klein had it.

Mr. HALLEY. Klein?

Mr. FARRELL. Yes.

Mr. HALLEY. Snag Klein?

Mr. FARRELL. Yes.

Mr. HALLEY. He was very close to Charlie?

Mr. FARRELL. Yes.

Mr. HALLEY. In addition to Snag, wasn't Charlie's other man in there?

Mr. FARRELL. Gargotta?

Mr. HALLEY. This fellow Spitz.

Mr. FARRELL. Spitz. I don't know about that.

Mr. HALLEY. Gargotta was in it.

Mr. FARRELL. I think Gargotta was in it.

Mr. HALLEY. Several others of the people who were very close to Charlie.

Mr. FARRELL. I imagine there would be a dozen.

Mr. HALLEY. It ran right up to the time Charlie Binaggio was killed?

Mr. FARRELL. Yes; that is right.

Mr. HALLEY. You were police commissioner during that time?

Mr. FARRELL. Yes. That was on the Kansas side, though.

Mr. HALLEY. You have said several times that—

The CHAIRMAN. Wait a minute, was it on the Kansas side?

Mr. FARRELL. Yes. Kansas? I believe they were.

Mr. GOLDSCHEIN. Oh, no.

Mr. FARRELL. Kansas.

Mr. GOLDSCHEIN. No.

Mr. FARRELL. The State line. Our people tried to raid it several times and couldn't do anything with them.

Mr. GOLDSCHEIN. That wasn't the State line. That was a phony all the way through. It was on the line but it wasn't over in Kansas.

Mr. HALLEY. The State line was across the street.

Mr. FARRELL. The Last Chance bar I think was in Missouri, but that restaurant was in Kansas, I am pretty sure.

Mr. GOLDSCHEIN. I saw a map of it and it isn't.

Mr. HALLEY. Wherever it was, isn't it a fact that Binaggio told you that he didn't want any gambling?

Mr. FARRELL. Yes.

Mr. HALLEY. Isn't that what you testified?

Mr. FARRELL. That is right.

Mr. HALLEY. But he had this Last Chance in which you knew at least that his very close associates were operating a gambling dive, didn't you?

Mr. FARRELL. I didn't know he had anything to do with it.

Mr. HALLEY. You knew that very close associates of his did.

Mr. FARRELL. Yes.

Mr. HALLEY. So when Charlie told you he was against gambling you didn't really believe it, did you?

Mr. FARRELL. I had a right to believe it because, like I say, he wanted to get his name cleared so he would have a good clean administration and try to win the city hall.

Mr. HALLEY. Did you ever say, "Charlie, why don't you have the boys close up the Last Chance?—that would be a start."

Mr. FARRELL. I am just telling you the truth. I didn't know he had any interest in it at all.

Mr. HALLEY. You knew that Klein and Spitz and Gargotta and his whole crowd of hoods were in there.

Mr. FARRELL. I didn't know Spitz was in there. I knew Klein and Gargotta were, yes.

Mr. HALLEY. You knew that Charlie controlled those boys.

Mr. FARRELL. No; I didn't.

Mr. HALLEY. Oh, now, stop quibbling. If Charlie told them to close up, they would have closed.

Mr. FARRELL. They probably would, yes; that is right.

Mr. HALLEY. When Charlie said he was against gambling, why didn't you say, "Charlie let's start with the Last Chance"?

Mr. FARRELL. I will swear on a stack of Bibles; I still say I thought it was on the Kansas side.

Mr. HALLEY. Wherever it was, Charlie could have gotten it closed.

Mr. FARRELL. That is right.

Mr. HALLEY. Isn't it a fact that what Charlie was against was gambling except where his pals ran the place? Isn't that what he meant?

Mr. FARRELL. That might have been it, but that is the only place I knew he had that was his.

Mr. HALLEY. Wait a minute He was in with Gizzo in the Coates House, wasn't he?

Mr. FARRELL. I didn't know that; no.

Mr. HALLEY. You know it now.

Mr. FARRELL. Yes, now. I read it.

Mr. HALLEY. You know that these hoodlums of his were in the wire service?

Mr. FARRELL. No, I didn't know that.

Mr. HALLEY. Do you know it now?

Mr. FARRELL. Now I do, yes.

Mr. HALLEY. You knew that they had Green Hills?

Mr. FARRELL. Well, let's see. Green Hills—that has been quite a long while ago. I don't know whether Binaggio was in there or not.

Mr. HALLEY. His pals did whether he did or not.

Mr. FARRELL. Yes, they did.

Mr. HALLEY. It happens that he had an interest in it, but his boys had it, didn't they?

Mr. FARRELL. I imagine they were. They were all friends of his.

Mr. HALLEY. Doesn't it really look like this to you—and I am talking to you as a former police commissioner—that when Charlie Binaggio said to you, "I don't want gambling in this area," he meant "I don't want gambling unless I can control it through my boys"? Isn't that what he really meant?

Mr. FARRELL. It would look that way, yes, but Green Hills wasn't open when I was in. There wasn't anything open in town that I know about.

The CHAIRMAN. Mr. Farrell, come right down to it. You wanted the town opened up and Charlie Binaggio wanted it opened up.

Mr. FARRELL. He told us not to. He said he would not stand for it.

The CHAIRMAN. Anyway, part of the deal of putting you in was to open up the town.

Mr. FARRELL. No, sir; I will gamble on that, absolutely not.

The CHAIRMAN. Did not Charlie Binaggio recommend you to Governor Smith?

Mr. FARRELL. He might have recommended me after I asked first. I asked the Governor himself.

The CHAIRMAN. Did you get Binaggio to take you over there to Jefferson City to see the Governor about it, to go with you to see the Governor?

Mr. FARRELL. I don't think I did. No; I don't think he did.

The CHAIRMAN. Did you get a letter of endorsement?

Mr. FARRELL. No, I didn't. No, sir; I didn't.

The CHAIRMAN. He spoke to the Governor in your behalf did he not?

Mr. FARRELL. He probably did, but I wasn't there. I never went with him. In fact, I never did go down with him.

The CHAIRMAN. Did you have any police officers as members of the Fifteenth Street Club?

Mr. FARRELL. I imagine there were; yes, sir. It was a Democratic Club, and that was practically the only one you had here.

The CHAIRMAN. How about this fellow who was recommended around here to succeed Johnson, Braun?

Mr. FARRELL. I don't know him at all.

The CHAIRMAN. What does he do?

Mr. FARRELL. Somebody said he worked for the Ford Motor plant, or was an officer at the Ford plant.

The CHAIRMAN. You were for him to succeed Johnson, were you not?

Mr. FARRELL. Yes; because they said he was a good man. He used to be a captain in the police department for 15 years.

The CHAIRMAN. Did Binaggio recommend him to you?

Mr. FARRELL. No; Binaggio didn't. Tuck Milligan told me they wanted to put in Braun. I didn't even know the man.

The CHAIRMAN. Mr. Milligan was the chairman of the police board?

Mr. FARRELL. That is right.

The CHAIRMAN. You were all for him?

Mr. FARRELL. That is right.

The CHAIRMAN. Any further questions?

Senator TOBEY. Why did you seek out the appointment to the police commission? What was it about that position that attracted you?

Mr. FARRELL. I had been in politics, I had been in for 4 years under Pendergast. They didn't run me the next time. They put a little fellow in there by the name of Hoedle, I think it is. So they threw him out the next time. He got mad and came over and talked to me about it. I said, "They did the same thing to me that they did to you." Then Henry McKissick—no; George Clarke said to me, "Farrell, how would you like to get on the police board?" I said that would be all right with me. That is really how that started. I said it would be all right with me. I would like to have it.

Senator TOBEY. You felt that was your opportunity for public service and you could clean the city up?

Mr. FARRELL. I thought so, Senator, because I tell you why—Jack Gage and I think Roy Roberts of the Kansas City Star told this Governor, and I think it is true—he told me that Sheridan Farrell was one of the best councilmen they had in the city hall, that he worked for his people and usually got things done.

Senator TOBEY. Who is this they spoke about?

Mr. FARRELL. Jack Gage was the mayor.

Senator TOBEY. Speaking about you?

Mr. FARRELL. Yes; and also Roy Roberts had told the Governor, that is the way I understand it, that Farrell was one of the best men they had in there, always looking out for his people and working for them.

Senator TOBEY. I see.

The CHAIRMAN. Mr. Roberts is the publisher of the paper here, is he not, or the editor?

Mr. FARRELL. Yes, sir.

The CHAIRMAN. All right, Mr. Farrell, thank you.

Mr. FARRELL. Thank you, sir.

The CHAIRMAN. You may be excused.

Mr. Follmer, do you solemnly swear the testimony that you will give this committee will be the whole truth and nothing but the truth, so help you God?

Mr. FOLLMER. I do, sir.

**TESTIMONY OF CLAUDE A. FOLLMER, AGENT, NARCOTICS BUREAU,  
UNITED STATES TREASURY DEPARTMENT, KANSAS CITY, MO.**

The CHAIRMAN. We want to get everything developed as fully as possible, but let us do move along. We can ask a lot of leading questions, if we know something.

Mr. HALLEY. You are connected with the Narcotics Bureau?

Mr. FOLLMER. Narcotics agent, Treasury Department.

Mr. HALLEY. Did you have any conversations with Charlie Binaglio shortly before his death?

Mr. FOLLMER. Yes, sir.

Mr. HALLEY. Just go ahead and state them.

Mr. FOLLMER. I talked to him on several occasions. Several times in the hallways, and two or three times over in the Pickwick Hotel.

Mr. HALLEY. What did you talk about and what did he talk about?

Mr. FOLLMER. About a month or 2 weeks before he was killed he told me he planned to get out of politics altogether. He said there were too many headaches, as he put it.

Mr. HALLEY. Did he say he planned to leave Kansas City?

Mr. FOLLMER. At a later date he told me that.

Mr. HALLEY. Would you give the committee the whole thing?

Mr. FOLLMER. Yes. It was possibly a week or 10 days before he was killed that we were talking over in the room in the Pickwick Hotel and he told me that he planned to go to New Mexico. He said he had a better deal out there.

Mr. HALLEY. Did he state the nature of the deal?

Mr. FOLLMER. He stated that he was interested in some pumice holdings. Pumice mines. He mentioned the fact that the Government would buy the pumice.

Mr. HALLEY. Did you have any other conversations with him?

Mr. FOLLMER. We had a number of conversations concerning politics, the local people here. He knew what my interest was.

Mr. HALLEY. Did he ever state to you that he had attempted to open up Kansas City?

Mr. FOLLMER. I just heard Mr. Farrell's testimony there, and I think what he had in mind is this: He didn't want every Tom, Dick, and Harry to have a dice game like they used to in the old days.

Mr. HALLEY. You are talking about what Charlie Binaggio wanted?

Mr. FOLLMER. Yes.

Mr. HALLEY. Go ahead.

Mr. FOLLMER. He wanted gambling, naturally, that was his business, but he wanted just a few places and not to have it running in show windows like they used to here 10 or 12 years ago.

Mr. HALLEY. Did he say that to you? Are these things Binaggio said to you?

Mr. FOLLMER. Yes. He told me he didn't want things like they used to be.

Mr. HALLEY. But he wanted a few places.

Mr. FOLLMER. That is right.

Mr. HALLEY. That could be controlled.

Mr. FOLLMER. Like the State Line and to run in the county, too, if possible.

Mr. HALLEY. What was your relationship with Binaggio that led to his talking freely to you? Would you mind telling the committee?

Mr. FOLLMER. A lady who acted as his secretary and who formerly was Sheriff Bache's secretary for about 8 years in the Jackson County Courthouse—I became acquainted with Binaggio through her.

Senator TOBEY. Is her name Frick?

Mr. FOLLMER. May Frick, yes. After I got to know him better, he had a likable personality, and Charlie had a lot of nice traits. He was a little different from most of those Italian racketeers. He didn't smoke, he didn't drink very much, just an occasional highball. He was a sort of family man. He used to like to work around home in his yard, flowers and that sort of thing.

Mr. HALLEY. Did you ever talk to Binaggio about the ballot theft?

Mr. FOLLMER. I don't think I talked directly with him. I have talked in a group over there when there would be several talking and they would laugh, and they always said the Republicans did it.

Mr. HALLEY. You mean Charlie said that?

Mr. FOLLMER. Just jokingly.

Mr. HALLEY. Do you know whether Binaggio was a member of the Mafia here or not?

Mr. FOLLMER. I heard that he was. It is rather difficult to say, but I heard he was.

Mr. HALLEY. The Narcotics Bureau has made a very careful effort to find out as much as they can about the Mafia, have they not?

Mr. FOLLMER. They have; yes.

Mr. HALLEY. That is because Mafia people have frequently been involved in narcotics transactions?

Mr. FOLLMER. That is right.

Mr. HALLEY. What can you tell this committee about the Mafia here in Kansas City?

Mr. FOLLMER. The best information that we have is that there are possibly 25 or 30 members here in Kansas City. The more important ones are fellows like Tony Gizzo, Joe and Frank Deluca, Pete and Joseph Di Giovanni, and Jim Balestrere.

Mr. HALLEY. Who do you think is the head man? Is there such a thing as a head man?

Mr. FOLLMER. Balestrere is supposed to be the head man.

Mr. HALLEY. Who would be the leading ones under him? Gizzo, for instance?

Mr. FOLLMER. Gizzo and Lacoco, and the Di Giovannis.

Mr. HALLEY. How does the Mafia operate? Can you tell the committee some more about it?

Mr. FOLLMER. My understanding is that they have no written rules or bylaws, but they have a sort of understanding that once you are a member, you can't withdraw. You are always a lifetime member. Their code is that if you doublecross another member of the organization, there is only one penalty, and that is death. I have heard several of these fellows testify at various times and I have seen transcripts.

If they loan each other money they don't take any notes or bother about that sort of thing. They just know that if they fail to make good on their obligations to one another they will be killed.

Mr. HALLEY. Do they divide up the rights to participate in certain businesses, both legitimate and illegitimate?

Mr. FOLLMER. Yes; I understand that there are supposed to be two-groups within the organization, an inner circle and the outer circle. Those on the inner circle are men who either through some special duty they have performed in the past or through their standing prior to their coming into the organization make up this inner circle. The outer circle is just the run of the mill type, the ones who do the heavy work and the rough things for them.

Mr. HALLEY. Do the inner circle get certain business privileges allocated to them, both legitimate and illegitimate?

Mr. FOLLMER. Yes. The inner circle is supposed to get the big end, the big cut in everything, and those in the outer circle just get what is left.

Mr. HALLEY. Who makes these decisions, the inner circle itself?

Mr. FOLLMER. Yes. They are supposed to have an international head in Palermo, and through him the various heads in other countries are designated. They have a head in New York. Through him the State heads or city heads in the United States are appointed.

Mr. HALLEY. Who would you say is the head in New York?

Mr. FOLLMER. It has always been my understanding that either Vincent Mangano or Joseph Profaci. There is some contention about who is head of the organization.

Mr. HALLEY. Don't answer this if it will embarrass you in your future work, but what are your sources for this type of information?

Mr. FOLLMER. Mostly Italians themselves. The Italians, for example, here in Kansas City know who the organization consists of. I have talked with ordinary criminals and I have talked with the father down at the Catholic Church. They know who the members are. They just don't like to have any difficulty with them.

Mr. HALLEY. Have you any thought as to how this committee might get some of them to stand up and be counted on the side of law and order, bearing in mind that we have to assume that if that if that counting were once started, the committee would have to go right through to the bitter end and insist that the Federal Government go through to the bitter end so that everybody who did stand up and talk would be protected? It would have to be the end of the Mafia. You could not let a few people stick their necks out and let the Mafia continue. Have you any thought along the line of how that might be done.

Mr. FOLLMER. I have thought about it, sir, but we have had one or two we would like to protect from them. You would almost have to sleep with them from now on and eat with them and live with them.

Mr. HALLEY. Suppose you were able to prove a vast criminal conspiracy, and put the heads, the top men throughout this country in Alcatraz, would the fear still be there?

Mr. FOLLMER. Yes. I think in Chicago they have had more assassinations and more heads of the Mafia have been assassinated themselves than in any other city in the country. They just appoint a new one. When one is assassinated, a new one takes his place.

Mr. HALLEY. You think it is a hopeless job?

Mr. FOLLMER. Well, I wouldn't say it is hopeless. Time will probably suppress it more than anything. For example, the ones here that I know of personally, the fathers don't like for their sons to become involved in rackets and that sort of thing. One of Di Giovanni's sons is an attorney and another is studying medicine. They try to get their children, after they make enough money, to be independently wealthy, they don't like to have their children get into the same rackets. It is the other poorer ones who take over and carry it along.

Mr. HALLEY. Isn't the great danger that after they have made the money, if they and their children do stay in the Mafia they carry those methods into legitimate business and use them on legitimate people in legitimate pursuits?

Mr. FOLLMER. That is very possible; yes.

Mr. HALLEY. They dominate the artichoke business?

Mr. FOLLMER. Yes.

Mr. HALLEY. And the olive business?

Mr. FOLLMER. Yes.

Mr. HALLEY. Do you know of any other legitimate businesses that an ordinary citizen just cannot operate in, cannot function at all in?

Mr. FOLLMER. For example, they dominate the liquor business here. There is no doubt about it.

Mr. HALLEY. Is that why Gizzo was able to testify—I believe you heard his testimony—about his liquor franchises and beer franchises?

Mr. FOLLMER. That is why Rymann was killed here just recently over that Schenley franchise.

Mr. HALLEY. What are we going to do about this?

Mr. FOLLMER. You can just wage a constant battle with them.

Senator TOBEY. Have any been prosecuted successfully?

Mr. FOLLMER. Yes. It is surprising, though, the weight that they carry in politics, even.

Mr. HALLEY. Isn't the real question whether you are going to pinch off the tentacles or get the heart of the thing? Gizzo was prosecuted for narcotics violation. A great many of them have been put in jail but the organization carries on.

Mr. GOLDSCHEIN. Let me explain this. It probably might help the situation. In 1939 the Narcotic Bureau secured evidence upon which they indicted 39 of the echelon and convicted a great majority of those. In 1942 they convicted about nine of the top-flight Mafia here in this area. It was through that investigation that one of their informants was murdered in 1944, a witness. I think the record ought to show at this time that Mr. Follmer's association with Charlie Binaggio was by my request. Mr. Follmer was assigned to this grand jury investigation by the Commissioner of Narcotics and brought me reports continuously of his conversations with Charlie Binaggio and these other hoodlums that were talked to. He is one of the best-informed men in Kansas City on crime.

The CHAIRMAN. You want the committee to know that but that should not be in the record, should it? You are still using that as a source of information?

Mr. GOLDSCHEIN. That is better off the record.

Mr. FOLLMER. He is dead now, and it doesn't matter.

The CHAIRMAN. Most of these convictions are narcotic convictions, income-tax or deportation proceedings.

Mr. FOLLMER. Yes.

The CHAIRMAN. Like Capolla and Carrolla.

Mr. FOLLMER. That is right.

The CHAIRMAN. Getting at the heart of this thing, a criminal conspiracy, we do not have any convictions.

Mr. GOLDSCHEIN. You don't have a criminal conspiracy—

The CHAIRMAN. Except as a narcotic ring, but as a general ring for law violation and what not.

Mr. GOLDSCHEIN. There must be conspiracy to violate some Federal statute.

Senator TOBEY. Is it a prerequisite to belonging to the Mafia that you must be an Italian?

Mr. FOLLMER. Yes, I have never known of anyone other than an Italian to belong.

The CHAIRMAN. The Unione Siciliana?

Mr. FOLLMER. Yes.

There is a rumor now that they are going to try to take care of this fellow Laccoco that Mr. Goldschein had—

Senator TOBEY. Take care of him how?

Mr. FOLLMER. Politically.

Senator TOBEY. On his income-tax case?

Mr. FOLLMER. Yes. It is a well known fact around here that they did take care of DeLuca. That is, the fellows in that narcotics case that should have received the big sentences got the short sentences, with the recommendation of the judge that they not be deported.

Senator TOBEY. Who was the judge?

Mr. FOLLMER. Judge Reeves, but he is a very fine man. He was misled. I have talked to Judge Reeves a number of times about it. He was misled about the whole matter.

Senator TOBEY. Was he misled by Judith Coplon?

Mr. FOLLMER. No. He was misled by some local talent.

Mr. GOLDSCHIEIN. He did a good job in that case.

Mr. HALLEY. Mr. Chairman, I would like for the record to show that Mr. White says that both Mr. Follmer and his immediate superior, T. J. Walker, the district supervisor, have been of inestimable help to the committee in its work here and have cooperated greatly.

The CHAIRMAN. We appreciate that very much, Mr. Follmer. We think we are mighty fortunate to have George White with us. He is one of the greatest characters that I have ever known, and we do appreciate your assistance.

Mr. FOLLMER. Thank you.

The CHAIRMAN. And Mr. Anslinger and Mr. Harney and all of your people.

Mr. FOLLMER. Thank you.

Mr. Anslinger and the Bureau in general have been very much interested in the Mafia. They seem to have engaged in the past in narcotics violations more than any other type of violation.

The CHAIRMAN. Anything else?

Senator TOBEY. Do they have a ritual of their own.

Mr. FOLLMER. I understand they don't have.

The CHAIRMAN. How does one member know somebody else is a member?

Mr. WHITE. I think I can explain that. They know it by word of mouth and who they know. If I were to identify myself as a narcotic agent without credentials in my pocket, you would say, "Do you know Mr. Follmer in Kansas City?" I would say, "Yes, he is working for Walker out there. He used to have quite a few conversations with Binaggio." By my own knowledge of the activities of other members and the personalities, you would realize that I was a bona fide member. Furthermore, the organization is so small, numerically, relative to the total population that most of the people know the other members in advance. When a new member is taken in, the fact that a new member has arrived is communicated as quickly as possible by word of mouth throughout the country to the interested parties. So there is no badge and there is no credential and no passport. It is merely a question of establishing the bona fides by conversation with interested parties.

The CHAIRMAN. Is that the reason Gizzo, for instance, yesterday could reel off all the people he knew, the Fischettis and Dragna?

Mr. HALLEY. That is his connection, of course. That is what he was going in Chicago.

The CHAIRMAN. I thought it was perfectly amazing the way he knew every one of them.

(Discussion off the record.)

The CHAIRMAN. We will stand in recess until 1:45.

(Whereupon, at 12:35 p. m the committee recessed until 1:45 p. m. the same day.)

AFTERNOON SESSION

(Whereupon, at 1:45 p. m. the committee reconvened pursuant to the taking of the noon recess.)

The CHAIRMAN. Who is first, Mr. Halley?

Mr. HALLEY. I think we will have Rainey first.

The CHAIRMAN. Call in Mr. Rainey, please.

What is your attorney's name?

Mr. MAITLAND. George Anderson Maitland.

The CHAIRMAN. Mr. Rainey, will you hold up your hand and solemnly swear the testimony you will give this committee is the whole truth and nothing but the truth, so help you God?

Mr. RAINY. I do.

TESTIMONY OF WALTER L. RAINY, KANSAS CITY, MO., ACCOMPANIED BY GEORGE ANDERSON MAITLAND, KANSAS CITY, MO.

Mr. MAITLAND. Can I make a little short statement for the record?

The CHAIRMAN. Yes, sir. You are not going to testify; you are just going to make a statement?

Mr. MAITLAND. I want to call to the attention of the committee that the defendant, Walter Rainey, rather, the witness, is now under indictment by the Federal grand jury for the western district of Missouri for income-tax evasion for the years 1946, 1947, and 1948. He is also under indictment by the county grand jury for maintaining a policy wheel in concert with some other defendants.

The CHAIRMAN. Let me get the years he is under indictment for.

Mr. MAITLAND. 1946, 1947, and 1948. One indictment in three counts.

The CHAIRMAN. He is under indictment—

Mr. MAITLAND. With the State of Missouri.

The CHAIRMAN. With the State of Missouri for operating a policy wheel?

Mr. MAITLAND. That is correct.

The CHAIRMAN. Mr. Maitland, I take it you have examined the authorities. He has a right, I think, to claim privilege from answering anything that might incriminate him for a violation of a Federal law. He has no privilege not to answer questions on a State charge.

Mr. MAITLAND. That is my understanding of it, Senator. I have consulted the authorities. I was counsel in the Hitchcock case and also the Bryan case which came down this spring. The purpose of making the statement is, as I see under the subpoena duces tecum that was served on the witness, he was instructed to bring income-tax returns for the years 1945 to 1949, inclusive. I have the copies of the income returns for 1945 and 1949, but the Government has impounded all of his records for the years 1946, 1947, and 1948. So he is unable to produce those.

The CHAIRMAN. You can only bring what you have.

Mr. MAITLAND. That is correct, Senator. However, I do have my own office copies of his returns for those other years. The Government impounded the records from his auditor.

The CHAIRMAN. You seem to wish to cooperate with the committee.

Mr. MAITLAND. That is correct.

The CHAIRMAN. So I am certain we will get along all right.

Mr. MAITLAND. That is correct, Senator.

Mr. GOLDSCHEIN. What is your full name, sir?

Mr. RAINY. Walter L. Rainey, Lewis Rainey.

Mr. GOLDSCHEIN. Where do you live?

Mr. RAINY. 4434 Mill Creek.

Mr. GOLDSCHEIN. What is your business?

Mr. RAINY. I am a chicken dinner operator.

Mr. GOLDSCHEIN. Where?

Mr. RAINY. Eighty-fifth and Warnel.

Mr. GOLDSCHEIN. How long were you located there, Mr. Rainey?

Mr. RAINY. I was located there from 1943 to—I can't recall just the year that it came in the city limits.

Mr. GOLDSCHEIN. You are not operating it now; are you?

Mr. RAINY. No, sir.

Mr. GOLDSCHEIN. You quit operating it in 1946.

Mr. RAINY. I think so. I don't remember the year.

Mr. GOLDSCHEIN. What did you do after 1946, Mr. Rainey?

Mr. RAINY. I don't know how to answer that.

Senator TOBEY. What is the answer?

Mr. RAINY. What I have been doing since 1946?

Mr. GOLDSCHEIN. That is right.

Mr. RAINY. I have been playing cards and gambling.

Mr. GOLDSCHEIN. You have operated several gambling operations since that time, haven't you?

Mr. RAINY. Yes, sir.

Mr. GOLDSCHEIN. You operated one in what you called the White Towers. That is Balestrere's Building.

Mr. RAINY. That was back in 1945 and 1946, I think.

Mr. GOLDSCHEIN. What was the name of that place?

Mr. RAINY. White House.

Mr. GOLDSCHEIN. That is right. Who was in that with you?

Mr. RAINY. Timposky, Dread Finnell, and myself.

Mr. GOLDSCHEIN. How long did you operate there?

Mr. RAINY. I just can't recall, 1945, 1946, I think—1947. I don't remember.

Mr. GOLDSCHEIN. You operated a bookmaking operation there. Did you have a dice game, too?

Mr. RAINY. No, sir.

Mr. GOLDSCHEIN. But you did have bookmaking?

Mr. RAINY. Yes, sir.

Mr. GOLDSCHEIN. Did you have anything else other than bookmaking?

Mr. RAINY. That is all.

Mr. GOLDSCHEIN. Whom did you rent that building from?

Mr. RAINY. James Balestrere.

Mr. GOLDSCHEIN. What rent did you pay him?

Mr. RAINY. \$250 a month.

Mr. GOLDSCHEIN. \$250 a month?

Mr. RAINY. Yes.

Mr. GOLDSCHEIN. Was that on a street where there are a number of stores?

Mr. RAINY. No, sir; there wasn't many stores there.

Mr. GOLDSCHEIN. There were some other stores on that block, however, weren't there?

Mr. RAINY. No, sir.

Mr. GOLDSCHEIN. No stores in that neighborhood?

Mr. RAINY. Let me describe it to you. There is a house and the Chicken Dinner place, a big two-story house and the Chicken Dinner place.

Mr. GOLDSCHEIN. Did you have the whole house?

Mr. RAINY. I had the whole thing—grounds, house, and lot.

Mr. GOLDSCHEIN. What could you rent a place for like that down the street?

Mr. RAINY. What is that?

Mr. GOLDSCHEIN. How much could you rent a house like that for just down the street or in the next block?

Mr. RAINY. There wasn't any place like that down the street.

Mr. GOLDSCHEIN. Was there any other place like that in town?

Mr. RAINY. It was in the county at that time.

Mr. GOLDSCHEIN. Why did you rent that place particularly?

Mr. RAINY. It is a nice building, a good home, nice location.

Mr. GOLDSCHEIN. But you were paying \$250 a month for that place.

Mr. RAINY. Yes, a pretty big building; fully equipped, too.

Mr. GOLDSCHEIN. What could you rent a building like that for any other place?

Mr. RAINY. It would cost you that much money.

Mr. GOLDSCHEIN. It would cost that much money?

Mr. RAINY. Yes.

Mr. GOLDSCHEIN. You are sure about that?

Mr. RAINY. Yes.

Mr. GOLDSCHEIN. Why did you quit there?

Mr. RAINY. Well, it was an all-night place, and after it came in the city limits then you couldn't stay open all night on account of the license.

Mr. GOLDSCHEIN. Were you ever raided?

Mr. RAINY. Yes, sir.

Mr. GOLDSCHEIN. When were you raided?

Mr. RAINY. I can't just recall the year.

Mr. GOLDSCHEIN. What did they catch when they raided you?

Mr. RAINY. I wasn't there. They raided a horse book up in the house. I wasn't there.

Mr. GOLDSCHEIN. Who was arrested when they raided?

Mr. RAINY. I think Timposky and Eisner, and Harris.

Mr. GOLDSCHEIN. Was that when you closed the place up?

Mr. RAINY. Oh, no.

Mr. GOLDSCHEIN. You continued to operate the Chicken Dinner place?

Mr. RAINY. Yes, sir.

Mr. GOLDSCHEIN. Did you continue to operate the bookmaking place there after you were raided?

Mr. RAINY. Yes; they operated.

Mr. GOLDSCHEIN. Operated after that?

Mr. RAINY. Yes.

Mr. GOLDSCHEIN. What happened to the case?

Mr. RAINY. I don't just recall what happened to the case.

Mr. GOLDSCHIEIN. Did you have any other place prior to that?

Mr. RAINY. No, sir.

Mr. GOLDSCHIEIN. Was that the first bookmaking and gambling operation you were connected with?

Mr. RAINY. Oh, no.

Mr. GOLDSCHIEIN. I said prior to that, which means before that time.

Mr. RAINY. No; back in 1939 I had Show Bar.

Mr. GOLDSCHIEIN. Where is that located?

Mr. RAINY. The Blue Ridge Highway, Blue Ridge Highway and Route 40.

Mr. GOLDSCHIEIN. What kind of operation was that?

Mr. RAINY. Chicken dinners and floor shows—bands.

Mr. GOLDSCHIEIN. What kind of gambling operation did you have there?

Mr. RAINY. I had them all.

Mr. GOLDSCHIEIN. By all you mean what—dice, roulette?

Mr. RAINY. Dice, roulette, slot machines.

Mr. GOLDSCHIEIN. Slot machines and bookmaking operations?

Mr. RAINY. No bookmaking.

Mr. GOLDSCHIEIN. No book. Who was in that operation with you?

Mr. RAINY. Neal Ross, Ed Fanning, and myself.

Mr. GOLDSCHIEIN. How long did you stay there?

Mr. RAINY. I stayed there from '36 to '39, I think.

Mr. GOLDSCHIEIN. Did you know Charlie Corolla?

Mr. RAINY. Yes, sir.

Mr. GOLDSCHIEIN. Did he come around to collect from you?

Mr. RAINY. No, sir.

Mr. GOLDSCHIEIN. Who did?

Mr. RAINY. No one.

Mr. GOLDSCHIEIN. You couldn't operate slot machines and a gambling house there without somebody collecting from you, could you?

Mr. RAINY. Oh, yes, I could.

Mr. GOLDSCHIEIN. Could you?

Mr. RAINY. Yes; I could there.

Mr. GOLDSCHIEIN. You could there.

Mr. RAINY. Yes, sir.

Mr. GOLDSCHIEIN. Why there?

Mr. RAINY. Because I was politically inclined out in the county. I had been out there for 20 years. I know everyone. I just could run it, that is all.

Mr. GOLDSCHIEIN. Who was the sheriff back in those days?

Mr. RAINY. Bach, Williams.

Mr. GOLDSCHIEIN. Is that the same Williams who is practicing law here now?

Mr. RAINY. Yes, sir.

Mr. GOLDSCHIEIN. How long was he sheriff?

Mr. RAINY. Two years, I think; three years.

Mr. GOLDSCHIEIN. Was he practicing law while he was sheriff?

Mr. RAINY. Yes.

Mr. GOLDSCHIEIN. Did he represent you?

Mr. RAINY. No, sir.

Mr. GOLDSCHIEIN. He never represented you at any time?

Mr. RAINY. Never.

Mr. GOLDSCHIEIN. At no time?

Mr. RAINY. No, sir.

Mr. GOLDSCHIEIN. Did he have a law partner?

Mr. RAINY. Does he have a law partner?

Mr. GOLDSCHIEIN. Did he at that time have a law partner?

Mr. RAINY. I don't know; I don't recall that he did. I don't know whether he did or not.

Mr. GOLDSCHIEIN. If he had a law partner, you didn't employ him?

Mr. RAINY. No, sir.

Mr. GOLDSCHIEIN. Who was your lawyer at that time?

It wasn't you, was it?

Mr. MAITLAND. Yes; I have represented him off and on for I expect 15 years, Mr. Goldschein.

Mr. GOLDSCHIEIN. How long were you operating this gambling operation in that place?

Mr. RAINY. '36, '37.

Mr. GOLDSCHIEIN. And '39?

Mr. RAINY. I think that is right. I just can't recall.

Mr. GOLDSCHIEIN. Why did you close up there?

Mr. RAINY. They had a big investigation here, Pendegast investigation, and, you know, just closed the whole county.

Mr. GOLDSCHIEIN. The whole area was closed up.

Mr. RAINY. Yes.

Mr. GOLDSCHIEIN. Where did you open next? Were you raided at that time?

Mr. RAINY. No.

Mr. GOLDSCHIEIN. Just closed up voluntarily?

Mr. RAINY. Yes.

Mr. GOLDSCHIEIN. The heat was on, as the boys say?

Mr. RAINY. That is right.

Mr. GOLDSCHIEIN. When was the next time you opened up?

Mr. RAINY. I just can't recall it in years.

Mr. GOLDSCHIEIN. Approximately.

Mr. RAINY. I didn't have any gambling until back in the White House days.

Mr. GOLDSCHIEIN. Was that the first time since 1939?

Mr. RAINY. Yes.

Mr. GOLDSCHIEIN. When that was closed where did you go?

Senator TOBEY. What has the White House to do with it?

Mr. GOLDSCHIEIN. The White House was the name of the place he operated. It belonged to Balestrere.

Where did you go after closing the White House Tavern? Where did you go after that?

Mr. RAINY. It has been so long ago I can't remember.

The CHAIRMAN. Just tell us where you have operated and during what time, Mr. Rainey, and we will get along better.

Mr. RAINY. You mean the different places?

The CHAIRMAN. Yes.

Mr. RAINY. I had an interest at 3111 Holmes.

Mr. GOLDSCHIEIN. Who was interested in 3111 Holmes with you?

Mr. RAINY. Hayden, Green, Clarence Walker, and myself.

Mr. GOLDSCHIEIN. Who else was in it with you? Any others?

Mr. RAINY. I didn't go around the place much.

Mr. GOLDSCHIEIN. Who were the main partners in it?

Mr. RAINES. Clarence Walker and Ed Freedlander and McElroy.

Mr. GOLDSHEIN. Was Charlie Gargotta in that operation?

Mr. RAINES. If he was I didn't know about it.

Mr. GOLDSHEIN. How about Lacoco?

Mr. RAINES. No. I didn't know anything about him.

Mr. GOLDSHEIN. How about Klein?

Mr. RAINES. Klein might have been. I don't know for sure.

Mr. GOLDSHEIN. How about Spitz?

Mr. RAINES. I don't know that for sure.

Mr. GOLDSHEIN. You are just talking about your group.

Mr. RAINES. Yes.

Mr. GOLDSHEIN. You say you don't know who the other groups were?

Mr. RAINES. Well, I would see them come and go. I never discussed who was in there.

Mr. GOLDSHEIN. How long were you operating there?

Mr. RAINES. About 8 months, I imagine.

Mr. GOLDSHEIN. What other place did you operate?

Mr. RAINES. Let's see—

Mr. GOLDSHEIN. 3111 Holmes is in Kansas City?

Mr. RAINES. Yes.

Mr. WHITE. Perhaps we can save time if we ask direct questions about it. Did you have a place at the 85 Club?

Mr. RAINES. Yes. 1705 Boulevard.

Mr. WHITE. Did you have a place at 3319 Main Street?

Mr. RAINES. Yes, sir.

Mr. WHITE. 8223 Troost?

Mr. RAINES. Yes, sir.

Mr. WHITE. Were your partners Fred Ross, Elmer Martin, and Neal Fanning?

Mr. RAINES. Yes, sir.

Mr. WHITE. In '47 and '48 did you have a house in the back of Broadmoor Hotel in Colorado Springs?

Mr. RAINES. Yes, sir.

Mr. WHITE. Were Harry Inman, Max Jaben with you then?

Mr. RAINES. Who?

Mr. WHITE. Harley Inman.

Mr. RAINES. Harley Inman and Max Jaben; yes.

Mr. WHITE. Did you have a man named Curtis Vaughn with you?

Mr. RAINES. Yes, sir.

Mr. WHITE. Did Jaben have 10 percent?

Mr. RAINES. Yes, sir.

Mr. WHITE. Was the bank roll \$2,300?

Mr. RAINES. Yes, sir.

Mr. WHITE. Was there a man by the name of Si Davis with you in that operation?

Mr. RAINES. Yes, sir.

Mr. WHITE. Did he put any capital into the place?

Mr. RAINES. No, sir.

Mr. WHITE. But he had 10 percent?

Mr. RAINES. Yes, sir.

Mr. WHITE. Somebody by the name of Harry Bowes?

Mr. RAINES. Yes, sir.

Mr. WHITE. Did he have money in the place?

Mr. RAINY. Yes, sir.

Mr. WHITE. Was there a killing in connection with the operation of that place?

Mr. RAINY. A killing?

Mr. WHITE. Was somebody killed, one of the partners?

Mr. RAINY. No, sir.

Mr. WHITE. Did you later have the Show Bar?

Mr. RAINY. Yes, sir.

Mr. WHITE. Did you have gambling there?

Mr. RAINY. Played cards.

Mr. WHITE. Who were your partners in that?

Mr. RAINY. Si Davis, Max Jaben, myself—

Mr. WHITE. Was Eddie Spitz in that with you?

Mr. RAINY. No, sir. We leased it from Eddie Spitz.

Mr. WHITE. Did you have any other gambling operations during this period that we are speaking of that you haven't mentioned?

Mr. RAINY. Yes, sir.

Mr. WHITE. What were they?

Mr. RAINY. 1800 East Thirty-first.

Mr. WHITE. Any others?

Mr. RAINY. No.

Mr. GOLDSHEIN. Are you the only one in your family employed that was doing any work?

Mr. RAINY. I am the only one.

Mr. GOLDSHEIN. Are you married?

Mr. RAINY. Yes, sir.

Mr. GOLDSHEIN. Do you have any children?

Mr. RAINY. No, sir.

Mr. GOLDSHEIN. Has your wife been employed any?

Mr. RAINY. No, sir.

Mr. GOLDSHEIN. Never did any work?

Mr. RAINY. No, sir; my wife never did do any work.

Mr. GOLDSHEIN. Never was employed outside?

Mr. RAINY. No, sir.

Mr. GOLDSHEIN. You were recently connected with some gambling operations, were you, this year?

Mr. RAINY. This year?

Mr. GOLDSHEIN. Yes.

Mr. RAINY. 1800. I just told him 1800 East Thirty-first.

Mr. GOLDSHEIN. How about numbers racket?

Mr. RAINY. Oh, yes, sir; the policy.

Mr. GOLDSHEIN. You bought McBride's interest in the policy wheel over the numbers racket, they call it?

Mr. RAINY. That is right.

Mr. GOLDSHEIN. What did you pay him for that?

Mr. RAINY. \$12,000.

Mr. GOLDSHEIN. You paid him \$12,000. How much cash?

Mr. RAINY. \$5,000.

Mr. GOLDSHEIN. Who did you discuss it with before you bought it?

Mr. RAINY. Before I bought it, with McBride.

Mr. GOLDSHEIN. Who else?

Mr. RAINY. Jaben.

Mr. GOLDSHEIN. Who else?

Mr. RAINY. The ones who were interested in it.

Mr. GOLDSCHEIN. Who else was interested in it?

Mr. RAINY. Schaeffer.

Mr. GOLDSCHEIN. And Mangiaracini; is that right?

Mr. RAINY. That is right.

Mr. GOLDSCHEIN. Anybody else?

Mr. RAINY. That is all.

Mr. GOLDSCHEIN. Was it all right with Schaeffer for McBride to sell out to you?

Mr. RAINY. Yes.

Mr. GOLDSCHEIN. Did you pay him the balance that you agreed to pay?

Mr. RAINY. I haven't; no, sir. It is not running.

Mr. GOLDSCHEIN. When did it close?

Mr. RAINY. It closed right when this trouble came up and Binaggio got killed.

Mr. GOLDSCHEIN. When the grand-jury report was filed—the grand jury made its report about that time?

Mr. RAINY. Yes; I think so.

Mr. GOLDSCHEIN. Do you have any interest in any other numbers business in town?

Mr. RAINY. No.

Mr. GOLDSCHEIN. That is the only one?

Mr. RAINY. That is the only one.

Mr. GOLDSCHEIN. That is right; is it?

Mr. RAINY. That is right.

Mr. GOLDSCHEIN. You say that is closed down now?

Mr. RAINY. Yes.

Mr. GOLDSCHEIN. And has been closed since that time?

Mr. RAINY. That is right.

Mr. GOLDSCHEIN. Have you been connected with any other book-making operation during this year, the year 1950?

Mr. RAINY. Yes.

Mr. GOLDSCHEIN. Which one?

Mr. RAINY. The Walnut Recreation. That is the same.

Mr. GOLDSCHEIN. Freedlander and his—

Mr. RAINY. No. Clyde Harrison and Timpovsky.

Mr. GOLDSCHEIN. Any others, other than those?

Mr. RAINY. No, sir.

Mr. GOLDSCHEIN. That is all.

Mr. HALLEY. I have no questions.

Senator TOBEY. What was your income last year?

Mr. RAINY. I just can't recall.

Senator TOBEY. You must know something about what your income was. You keep books?

Mr. RAINY. It wasn't much. We lost a lot of money at the Show Bar. I think he has it.

Senator TOBEY. What did you make the year before that?

Mr. RAINY. I just cannot recall that, either.

Senator TOBEY. Here is a businessman running a special line of business and he doesn't know how much money he made? It must be wonderful to be in that position. I would like to be.

Mr. RAINY. I tell you, I have a poor memory for figures. I haven't much of an education when it comes to anything like that.

Senator TOBEY. You know what a thousand dollars is.

Mr. RAINNEY. Yes.

Senator TOBEY. \$10,000 and \$50,000.

Mr. RAINNEY. That is right.

Senator TOBEY. Was it \$50,000 a year?

Mr. RAINNEY. I wish I had that slip with me. \$50,000? No, sir.

Senator TOBEY. More than that?

Mr. RAINNEY. No; less than that.

Senator TOBEY. What did you make a year for the last 10 years? Just an average.

Mr. RAINNEY. I don't know.

Senator TOBEY. I could not accept that answer, Mr. Rainey, from any man who has two feet and a brain and a mind. Show me a man who doesn't know what he made in the last 10 years; I will say he ought to go to the insane asylum. I am speaking of the income you made on all these gambling enterprises, what you took in and what your net was in all these things.

Mr. RAINNEY. I have no conception. I wouldn't want to tell the committee that I really knew. You know what I mean.

Senator TOBEY. No; I don't know what you mean.

The CHAIRMAN. At the end of the year you know generally how much money you have made during that year.

Mr. RAINNEY. Sometimes \$5,000, \$6,000, \$10,000, you know.

Senator TOBEY. That is all you made in a year, \$10,000, from all these gambling enterprises?

Mr. RAINNEY. Yes, sir. I didn't make much.

Senator TOBEY. Why did you stay in it? Why did you not go in some business where you could?

Mr. RAINNEY. The Government has all the figures.

Senator TOBEY. I am not asking the Government. I have no thought about the Government in this thing. We are investigating crime here and want to know what people made.

Mr. RAINNEY. I didn't make a whole lot; I tell you that. I lost a lot of money.

The CHAIRMAN. It is alleged here, for instance, your 3111 Holmes Street, where several of you were partners—

Mr. RAINNEY. I can tell you about that. I made \$16,000 and several hundred on that. If you ask me direct questions like that, I can tell you.

Senator TOBEY. We have to put the stuff in your mouth and pre-digest it for you before you can tell? Here is \$16,000. Now you have a flame of intelligence. What is the matter with you? Come on, tell us.

Mr. RAINNEY. I tell you the reason why, because like he mentions what I got at a certain place, the enterprise, then I can tell you.

Senator TOBEY. Why can't you tell the whole of it? Don't you know whether you are solvent or in the red? What did you show on your income tax for the last 5 years? You have to keep books for the Government; do you not?

Mr. RAINNEY. Yes. I wish I had the figures here. I really can't tell you. I wish I had the figures.

Senator TOBEY. I wish you had, too.

The CHAIRMAN. What income-tax returns do you have, Mr. Maitland?

Mr. MAITLAND. Senator, I have 1945 to 1949, inclusive, copies of them, I believe. As I say, the Government has 1946, 1947, and 1948.

The CHAIRMAN. What was his net income in those years?

Mr. MAITLAND. The 1948 shows \$6,529.54. I am mistaken about that. The net income is \$1,026.58 for 1948.

Senator TOBEY. \$10,000 for 1948, and he ran five gambling establishments?

The CHAIRMAN. Is that \$10,000 or \$1,000?

Mr. MAITLAND. No, Senator; that is \$1,026.58.

Senator TOBEY. Why do you stay in the business for if that is all the "chicken feed" you took in?

Mr. MAITLAND. That is on the partnership.

Mr. RAINES. These are chicken-dinner farms.

The CHAIRMAN. That is on the partnership return.

Mr. MAITLAND. That is on the partnership return, the operation of the White House, I suppose. Here is a partnership return of 1947 for \$1,496.09.

The CHAIRMAN. And are those the only income-tax returns he filed during those years? The witness can answer the direct question. Did you just file the partnership income-tax return? Is that all you filed?

Mr. RAINES. Yes, sir. I filed all the returns. Whatever it is.

Mr. MAITLAND. He has individual returns here as well as the partnership in these partnership ventures he was in.

The CHAIRMAN. What is his individual net during those years as shown by his returns?

Mr. MAITLAND. In 1947 his individual return shows \$5,839.39 in 1947. In 1946 it shows \$6,931.20.

The CHAIRMAN. That would include what he got from the partnership?

Mr. MAITLAND. That is correct, Senator. In 1945 it shows \$13,-272.37.

The CHAIRMAN. Rainey, you are alleged to have made \$1,400 a month on this policy racket.

Mr. RAINES. I have been in the policy racket only 19 days. I went in the 1st of April and got closed up.

The CHAIRMAN. What did you make out of that the time you were in it?

Mr. RAINES. Nineteen hundred and something dollars.

The CHAIRMAN. Anyway, from these figures we have an idea, and the only ones the statute of limitations has not run out on are being contested by the Government. Is that the situation, Mr. Maitland?

Mr. MAITLAND. I don't think there has been any civil claim as to any of these returns. There was a compromise by this witness some years ago—

Mr. RAINES. 1939.

Mr. MAITLAND. In regard to—

The CHAIRMAN. I thought you said he was under indictment.

Mr. MAITLAND. That is correct, in the criminal phase of it for 1946, 1947, and 1948, but there is no civil action, Senator, in regard to those years.

The CHAIRMAN. The procedure is to try the criminal part first and then take up the civil claim.

Mr. MAITLAND. That is my understanding.

Senator TOBEY. Does not the criminal part mean, Mr. Chairman, that he deliberately and willfully tried to defraud the Government?

The CHAIRMAN. That is the allegation.

How about your dealing with Binaggio and Gargotta? Do you know them well?

Mr. RAINNEY. Here is where I came in the picture with Binaggio. He came to be a power in politics around here, and I ran night clubs out in the county for 20 years. I helped him politically, and I came in the picture with him. I never did have any dealings with Binaggio at any time until he came in power in politics.

The CHAIRMAN. Did you ever have any business dealings with him?

Mr. RAINNEY. No, sir.

The CHAIRMAN. Did he ever own any part of your business?

Mr. RAINNEY. No, sir; at no time in 25 years I never did any business with Binaggio, Gargotta, or anybody else.

The CHAIRMAN. Who did you pay off for protection to run all these places?

Mr. RAINNEY. I didn't pay anyone for protection to run these places.

The CHAIRMAN. Did you make any contribution to the police fund?

Mr. RAINNEY. No, sir.

The CHAIRMAN. Any other questions, gentlemen?

Mr. HALLEY. Just one.

I think you mentioned some time ago that you didn't have to pay anybody to run slot machines in the county; is that right?

Mr. RAINNEY. Yes, sir.

Mr. HALLEY. I think you said that is because you were well fixed politically; is that right?

Mr. RAINNEY. That is right.

Mr. HALLEY. What does that mean, that if you are in good shape politically, people don't bother you?

Mr. RAINNEY. That is right. In other words, I can go out in the county and get four or five thousand votes.

Mr. HALLEY. And in return for that the sheriff doesn't bother you if you have an illegal operation?

Mr. RAINNEY. That is right.

Mr. HALLEY. Do you consider that honest?

Mr. RAINNEY. Sir?

Mr. HALLEY. Is that honest?

Mr. RAINNEY. No; it is not honest.

Mr. HALLEY. That is all.

Mr. MATTLAND. There was one question that Mr. White asked——

The CHAIRMAN. If you want to ask any questions to clear up anything, you may do so.

Mr. MATTLAND. I don't think the witness understood what Mr. White asked him with regard to one of the partners or someone being killed in connection with the Colorado operation. I think the way the witness understood that was in regard to someone's death by violence. Was there some partner killed out there in an accident?

Mr. RAINNEY. Oh. My partner fell off a motorcycle and got killed, yes.

Mr. MATTLAND. I believe you asked him such a question.

Mr. WHITE. That was in connection with the Colorado Springs place?

Mr. RAINY. Yes. He had an interest in the Colorado Springs place. I bought his interest out.

Mr. WHITE. Who was killed?

Mr. RAINY. Red somebody. I didn't know him very much.

Senator TOBEY. He was your partner?

Mr. RAINY. Yes.

Senator TOBEY. And you did not know his name?

Mr. RAINY. He wasn't my partner. I came in the picture after he got killed. I bought his interest from his wife. I didn't know the fellow.

Mr. WHITE. That was an accidental death, however?

Mr. RAINY. Yes.

The CHAIRMAN. How many States have you operated in? Colorado?

Mr. RAINY. That is all.

The CHAIRMAN. Kansas?

Mr. RAINY. Colorado and here.

The CHAIRMAN. Kansas?

Mr. RAINY. Kansas?

The CHAIRMAN. Yes.

Mr. RAINY. Oh, yes. I had a place.

The CHAIRMAN. Over in Kansas City, Kans.?

Mr. RAINY. Yes.

The CHAIRMAN. How long ago?

Mr. RAINY. Eight years ago, I guess.

The CHAIRMAN. Did you have political power over there too?

Mr. RAINY. The other boys had the political power.

The CHAIRMAN. How about Iowa and Nebraska?

Mr. RAINY. I just put the money up for it.

The CHAIRMAN. How about Iowa and Nebraska?

Mr. RAINY. No, sir; never.

The CHAIRMAN. That is all, Rainey, unless there are some other questions.

Was that Kansas City, Kans., you were talking about?

Mr. RAINY. Yes, sir.

Senator TOBEY. What is your net worth today?

Mr. RAINY. My net worth is nothing.

Senator TOBEY. It has not been a very successful existence for you, has it? Why do you not kick the bucket and get in something else?

Mr. RAINY. That is what I am trying to do.

Mr. HALLEY. Call Sheriff Purdome, please.

The CHAIRMAN. Sheriff Purdome, do you solemnly swear the testimony you will give this committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. PURDOME. I do.

#### TESTIMONY OF J. A. PURDOME, SHERIFF, JACKSON COUNTY, MO.

Mr. HALLEY. What is your full name?

Mr. PURDOME. J. A. P-u-r-d-o-m-e.

Mr. HALLEY. You are sheriff of Jackson County?

Mr. PURDOME. Yes; I am.

Mr. HALLEY. How long have you been sheriff of Jackson County?

Mr. PURDOME. Since January 1, 1945.

Mr. HALLEY. Do you know Walter Rainey?

Mr. PURDOME. Yes.

Mr. HALLEY. He was the last witness here, was he not? You saw him walk out.

Mr. PURDOME. Yes; I think he was.

Mr. HALLEY. Are you familiar with the White House operation of Rainey?

Mr. PURDOME. I know that he did operate the White House on Eighty-fifth Street.

Mr. HALLEY. Do you know that he operated various gambling games there?

Mr. PURDOME. Not to my knowledge.

Mr. HALLEY. Have you heard about it, Sheriff?

Mr. PURDOME. Rather indirectly.

Mr. HALLEY. There is no point in beating about the bush. Rainey just testified that he operated and that he was able to operate because he could deliver 4,000 to 5,000 votes at election time and therefore nobody bothered him and he knew it was dishonest. Have you any comment to make on that testimony?

Mr. PURDOME. Well, not to my knowledge at the time he was operating did I know that he was operating.

Mr. HALLEY. For many years he has had a reputation as a gambler, has he not?

Mr. PURDOME. Yes, he is known to us.

Mr. HALLEY. Haven't the newspapers from time to time stated that the White House was a gambling joint?

Mr. PURDOME. I don't recall.

Mr. HALLEY. Isn't that common knowledge, that Rainey's place is a gambling joint?

Mr. PURDOME. No; I don't think it was common knowledge. I don't think it was a gambling joint. I since have information that he did operate some sort of bookie joint in the place, but not a gambling joint, not dice games or poker.

Mr. HALLEY. How about the Eighty-five Club?

Senator TOBEY. How long have you been sheriff?

Mr. PURDOME. Since 1945.

Senator TOBEY. Are you appointed by the court?

Mr. PURDOME. No; elected. I was elected and took office in 1945 and then was reelected again in 1948 and served 4 years.

Mr. HALLEY. Is it your testimony that you never knew that Rainey operated gambling games in your county?

Mr. PURDOME. Not to my knowledge.

Mr. HALLEY. Did you know that he had slot machines in that place, the White House?

Mr. PURDOME. I have never seen a slot machine in his place.

Mr. HALLEY. They were right out in the open, were they not?

Mr. PURDOME. No. They were not.

Mr. HALLEY. Where were they?

Mr. PURDOME. I have never been in any place, as I recall—I had never been in any place in the White House except in the dining room, the main dining room. There were no slot machines there.

Mr. HALLEY. Did you deliberately refrain from walking into the other parts of the White House?

Mr. PURDOME. No.

Mr. HALLEY. They were open to the public, were they not?

Mr. PURDOME. No; they were not.

Mr. HALLEY. You mean people could not walk into the horse room, the gaming rooms, there in the White House?

Mr. PURDOME. No. There was some sort of living quarters there. You see, the White House had been a residence, and then a dining room or building had been built onto this residence. I don't recall ever having been in this residence part. I had been in the dining room part.

Mr. HALLEY. How would you comment on that testimony of Rainey's that he was able to operate because he had political connections?

Mr. PURDOME. I don't know what—

Mr. HALLEY. You would be the law enforcement officer responsible for seeing to it that he operated legally, would you not?

Mr. PURDOME. Rainey has been closed up from the White House. He has not operated the White House for the past about 3 or 4 years.

Mr. HALLEY. We understand that, but during the period when he did operate the White House in your jurisdiction, you were the law enforcement officer who was responsible for seeing that no gambling took place, were you not?

Mr. PURDOME. Yes.

Mr. HALLEY. Did you bring with you your income tax returns?

Mr. PURDOME. Yes, sir.

Mr. HALLEY. May I see them?

(Witness producing documents.)

The CHAIRMAN. Rainey said he operated some other place out in the county beside the White House. Was it Club 85 or the Show Bar?

Senator TOBEY. Would you testify he was right when he said he had four or five thousand votes?

Mr. PURDOME. Rainey I guess has some friends and has some votes.

Senator TOBEY. Would it be a fair statement in your judgment that he had that amount of votes?

Mr. PURDOME. I tell you, it is pretty difficult to tell just how many votes.

Senator TOBEY. You are conscious of the fact as sheriff that he had a reasonable amount?

Mr. PURDOME. He did have.

Senator TOBEY. What effect did that have on you?

Mr. PURDOME. Not anything particularly.

Senator TOBEY. Your subconscious self said "Here is Rainey running these places against the law, but he has 4,000 votes. Therefore I, the sheriff, will sort of softpedal him." Is that what you said to yourself?

Mr. PURDOME. Not at all.

Senator TOBEY. You did put a soft pedal on him?

Mr. PURDOME. No, I didn't.

Senator TOBEY. You did not give him hell and put him out of business and in jail, did you?

Mr. PURDOME. I don't think he was ever arrested.

Senator TOBEY. Why was he not arrested?

Mr. PURDOME. As I say, to my own knowledge—

Senator TOBEY. Why did you not find out? That is the sheriff's job, is it not?

Mr. PURDOME. I do not know that he ran them.

Senator TOBEY. Why did you not find out where the holes of vice were in your district?

Mr. PURDOME. At the time that he was operating there was nothing to indicate he was.

Senator TOBEY. Are you looking for these things as part of your work to prove you are on the job, or do you wait for them to bring them to you and put them on the table before you and say, "Here is the evidence"? Do you go out and hunt for it and make a decent place of Jackson County?

Mr. PURDOME. Yes.

Senator TOBEY. You did not hunt very far. We all hear about this here. He tells us about it. Why could you not know about it? Don't you see that these officials like you aren't worth anything for public morale, to let these birds get away with everything, and then you come before us and sit down and cushion yourself upon our table. I get tired of it myself. Government goes down in the minds of the people. It smells unto heaven.

Mr. PURDOME. If you recall and go back over my record I think you will recall that I possibly have done as much for law enforcement in Kansas City and Missouri as any other one man.

Senator TOBEY. That is not very high, apparently. From all the criminal records it has been very poor in this county with Binaggio's and Gargotta's and Tom, Dick, and Harry playing their rotten games.

Mr. PURDOME. Well, of course those things might be true. We can't deny those facts, but I think if you will recall, back in 1939, 1940, I led the raids here in Kansas City.

Senator TOBEY. Did you get tired of doing it?

Mr. PURDOME. No. I think if you check the record along the route, I think you will find that I have—

Senator TOBEY. Do you know Pendergast?

Mr. PURDOME. Yes.

Senator TOBEY. Pretty well?

Mr. PURDOME. Yes.

Senator TOBEY. When did you see him last?

Mr. PURDOME. It has been possibly 3 or 4 months I guess.

Senator TOBEY. Have you talked with him since Binaggio's death?

Mr. PURDOME. No, I haven't.

Senator TOBEY. Before that?

Mr. PURDOME. I think I met Jim Pendergast on the street about 4 months ago.

Senator TOBEY. Did he mention Binaggio or Gargotta to you?

Mr. PURDOME. No.

Senator TOBEY. How did he feel toward them?

Mr. PURDOME. Personally, I don't know just what his feelings were.

Senator TOBEY. What did you do about the stolen ballots, Sheriff? Your office is right in the same building, is it not?

Mr. PURDOME. The ballots were stolen from the basement. Our office is on the eleventh floor.

Senator TOBEY. What did you do about it?

Mr. PURDOME. There has been nothing developed.

Senator TOBEY. How hard did you try to make a development?

Mr. PURDOME. We worked pretty hard on it.

Senator TOBEY. What did you do?

Mr. PURDOME. We conducted as thorough an investigation, I suppose, as our facilities would permit.

Senator TOBEY. You of course will admit that the bare fact that the ballots were stolen indicates somebody was guilty, something was wrong, or they wouldn't have been stolen. It is *prima facie*, isn't it?

Mr. PURDOME. Yes, that would indicate it.

Senator TOBEY. You have not had proof, but whom do you suspect? You must have something in mind as sheriff. Whom do you suspect in the back of your mind? Whom have you thought of as criminals in this case?

Mr. PURDOME. It would be only your natural thought that those that were involved would be.

Senator TOBEY. Who were they?

Mr. PURDOME. There were several.

Senator TOBEY. Give us a few of them.

Mr. PURDOME. The records of the indictments are the best evidence. I wouldn't want to mention any names—

Senator TOBEY. Why not?

Mr. PURDOME. Now, because I am not certain.

Senator TOBEY. Give us the benefit of your advice as far as it goes. We will put an asterisk after it which reads "Important if true." Go ahead.

Mr. PURDOME. Really I don't know anyone. I can't think of any name right now.

Senator TOBEY. So you, the sheriff of this county, in view of what has happened can't think of anyone you think might be guilty of this thing. Your mental ability is suspect. You don't think of anybody.

The CHAIRMAN. Who were the candidates interested? Who would be in a position to profit anything by the vote theft?

Mr. PURDOME. As I recall, the chief contest in the primary was between Roger Slaughter and—let's see.

Senator TOBEY. Carroll?

Mr. PURDOME. No. Axtel, Enos Axtel was running against Slaughter. Michael O'hearn and Jimmie Anderson, James Anderson were the opponents for prosecuting attorney. Both Axtel and Anderson won the nominations, but lost in the fall in the general election.

Senator TOBEY. It was the general election ballots that were stolen, was it not?

Mr. PURDOME. No, as I recall it, it was the primary ballots that were stolen.

The CHAIRMAN. It was the primary ballots.

Senator TOBEY. So that was between Slaughter and Axtel.

Mr. PURDOME. Yes.

Senator TOBEY. And Axtel won the primary, is that right?

Mr. PURDOME. Yes.

Senator TOBEY. And the charge is made that it was dishonestly conducted.

Mr. PURDOME. Yes.

Senator TOBEY. Do you believe that was true?

Mr. PURDOME. Well, it is quite difficult to say. We thought it was because—

Senator TOBEY. Assuming it was true, the man who would hate to have things come from cover on the table before an honorable

jury, public opinion, would be the man who won, wouldn't it, by crooked practices? He would hate to have it disclosed, would he not? I am not mentioning any names. Would that not be so?

Mr. PURDOME. That is true.

Senator TOBEY. That is hypothetical. In this case it was Axtel, was it not?

Mr. PURDOME. Yes.

Senator TOBEY. Then applying that rule of thumb, it would be Axtel and his followers who were interested in getting the ballots out of the way, would it not? It could be, might it not? It probably would be?

Mr. PURDOME. Yes, there is one point there I think I should clarify.

Senator TOBEY. Thank you.

Mr. PURDOME. You mentioned a few minutes ago if Pendergast and Binaggio were friends. At that time Pendergast and Binaggio supported the same candidates. I understand later they have had differences and supported different candidates in the primary.

Senator TOBEY. At that time they were for Axtel?

Mr. PURDOME. At that time they were for Axtel.

Senator TOBEY. Therefore—

Mr. PURDOME. And they were for O'Hearn. However, I belong to a different faction from either of those. I happen to be a member of the Shannon faction and perhaps you might know old Congressman Shannon.

Senator TOBEY. I knew him very well. I regret that he has passed on.

Mr. PURDOME. I happened to belong to the Shannon group. We supported both Slaughter and O'Hearn. And at that time Pendergast and Binaggio were supporting those candidates.

Senator TOBEY. I think this is interesting. Assuming that you and I agree that manifestly those who were guilty if there had been fraud, under fraud procedure would want to keep the evidence from coming to light, therefore there would be a motivation for having the ballots put out of the way. In this case if that rule is correct, it would be Mr. Axtel and those supporting him and Binaggio and Pendergast who were in cahoots together to get Axtel nominated, who might be interested in that procedure. Is that not correct?

Mr. PURDOME. Yes.

Senator TOBEY. Would it be a very far cry from the truth to agree that Mr. Binaggio and Mr. Pendergast were the people who negotiated this thing, either directly or by indirection, in your fair opinion among fair men talking around this table?

Mr. PURDOME. That is purely a conclusion.

Senator TOBEY. All right, that is what I want from you.

Mr. PURDOME. I can't say that my suspicions would be in that direction.

Senator TOBEY. Have you had suspicions that way when you have been alone with yourself?

Mr. PURDOME. No, I don't particularly suspect that Mr. Axtel or Mr. Pendergast or perhaps Mr. Binaggio themselves knew anything about the stolen ballots.

Senator TOBEY. Who would you think would know about it?

Mr. PURDOME. Well, I would draw the conclusion that it was perhaps some overzealous political workers.

Senator TOBEY. Who might that be, for instance?

Mr. PURDOME. That I couldn't say.

Senator TOBEY. Subordinate or associates?

Mr. PURDOME. I would say subordinates.

Senator TOBEY. Would they do it without the power of suggestion from higher ups? Can you imagine the underlings would do it of their own volition?

Mr. PURDOME. Yes. As I say, perhaps overzealous.

Senator TOBEY. Any names you want to suggest? You are sheriff, you know.

Mr. PURDOME. No; I haven't.

Senator TOBEY. As far as you are concerned in uncovering this thing you have gone to sleep over it and it is all dead and buried?

Mr. PURDOME. No, it isn't. It is still an open case with us.

Senator TOBEY. How long are you going to keep it open?

Mr. PURDOME. At the time this ballot theft happened, we conducted—all law-enforcement groups, both the police, the FBI, the highway patrol, our office, and the prosecutor's office held a meeting. We all agreed that the physical evidence should rest with the FBI. All physical evidence, and that they were to spearhead the case. By agreement we were all to assist. All physical evidence remained with the FBI for perhaps more than a year, as I recall, about a year. Everyone tried to contribute everything that they possibly could. You tell me that I am sheriff, which is true, but I am charged with a pretty big job and regulated by the county court, actually for law enforcement for the entire county and I am charged with law enforcement in the city in a sense, but I actually have 26 men to engage in law-enforcement work. That is patrol work, handling traffic, and everything else, and answering fight calls and everything else for 74,000 people in rural Jackson County.

Senator TOBEY. Who was the FBI man who spearheaded this thing?

Mr. PURDOME. I think Mr. Brantley was the man in charge.

Senator TOBEY. Where is he now?

Mr. PURDOME. Mr. Brantley retired.

Senator TOBEY. Did he live in Kansas City?

Mr. PURDOME. No, I think he is in——

Mr. WILSON. He is in Jacksonville, Fla.

Mr. PURDOME. I believe he is in Florida.

Senator TOBEY. I will ask you whether or not you know that in becoming the spearhead of this case that Mr. Brantley in his capacity as spearhead of this movement representing the FBI, in which we all have confidence, made a report to the Department of Justice or to the FBI, Mr. Hoover, who is the chief, of a list of names that according to his deductions and his skillful work might be responsible for this?

Mr. PURDOME. Yes.

Senator TOBEY. Did you ever see the list?

Mr. PURDOME. No.

Senator TOBEY. How did you know it, then?

Mr. PURDOME. I think perhaps by newspapers. I don't know just how.

Senator TOBEY. Did you ever talk to Brantley about it?

Mr. PURDOME. I don't recall whether I ever talked to Mr. Brantley about it.

Senator TOBEY. What happened to the list that was submitted to the chief?

Mr. PURDOME. I don't know.

Senator TOBEY. You believe and I believe and some of us know that a list was submitted, and that list died aborning and never saw much light of day and never grew very much. I don't know where the names are now, but I am telling you, Mr. Sheriff, we are going to find out, and this committee is going to find out and some people around Kansas City are going to have a hot time of it in the next 6 months, and you will be brought in this case again ad libitum. It is just beginning. From what the sheriff can do and what this committee in my judgment can and will do before we get through, when we get to the bottom of this we will know who stole the ballots and who murdered Binaggio and give them magnum cum laude for doing that. We are going through with it. You can tell the world and tell yourself. So I hope your health is good for the next 6 months. We are going to see you again. That is all I have.

The CHAIRMAN. Any other questions?

Mr. HALLEY. Yes.

Sheriff Purdome, I have been looking over the tax returns you brought in. What is your salary as sheriff?

Mr. PURDOME. The present salary is \$8,750 a year.

Mr. HALLEY. In addition to that you get certain fees or other income?

Mr. PURDOME. I retain—

Mr. HALLEY. Why don't you take the 1948 return—is that the last one you have brought in? Where is your 1949 return?

Mr. PURDOME. I think it is there, isn't it?

Mr. HALLEY. I haven't seen it.

Mr. PURDOME. Here it is. Pardon me.

Mr. HALLEY. May I have that. Meantime, let's talk about the 1948 return.

Mr. PURDOME. I think it is '49. Here it is.

The CHAIRMAN. Let me see the 1949 one.

Mr. HALLEY. Will you take the 1948 return and explain what your income items were for 1948? First, your salary.

Mr. PURDOME. Well, you see—

Mr. HALLEY. Just give us the answers. It is not necessary to explain even before you tell the committee what your income was, is it? What was your income for 1948, total amount?

Mr. PURDOME. \$14,803.50.

Mr. HALLEY. What were the items of which this was made? First, your salary, is that right?

Mr. PURDOME. The salary was \$7,750. Then in fees—I don't seem to have it all here.

The CHAIRMAN. Ask him leading questions on this.

Mr. HALLEY. May I have the return?

Mr. PURDOME. I am allowed trustee's fees and commissioner's fees.

Mr. HALLEY. You had trustee's sale fees aggregating \$464.50, is that right?

Mr. PURDOME. Yes.

Mr. HALLEY. Then you had fees from Government prisoners aggregating \$4,089.

Mr. PURDOME. That is true.

Mr. HALLEY. Then you reported miscellaneous income of \$1,500.

Mr. PURDOME. Yes.

Mr. HALLEY. Was that income received in cash or just how?

Mr. PURDOME. That was received from the operation of a commissary.

Mr. HALLEY. How would that work?

Mr. PURDOME. We have a commissary in the jail where we sell cigarettes and candy and items like that to prisoners. For the operation of that I take this amount each year by the month.

Mr. HALLEY. In other words, it is a cash amount of income you are estimating with no itemization or explanation.

Mr. PURDOME. That is right.

Mr. HALLEY. You have taken it in previous years, too?

Mr. PURDOME. Yes, sir.

Mr. HALLEY. By "taking" I mean in making out your tax return you state that you have received \$1,500 miscellaneous income.

Mr. PURDOME. Yes; \$1,500, and I think \$1,800.

Mr. HALLEY. It is cash money?

Mr. PURDOME. Yes.

Mr. HALLEY. Of course you know that if you operate a business according to the law you are supposed to make out your return for the business and show the costs of operation and the profit, is that right?

Mr. PURDOME. Well, that is right. This is operated, this commissary. The remainder of the funds are operated more or less for the good of the office. For instance, one year we bought uniforms for the deputies. We use some of the funds that are acquired by the operation of this commissary, we use some for possibly paying a prisoner's way home when he hasn't any money or finding someone stranded here, particularly children, we sometimes pay their way home. Every Christmas we have a Christmas dinner for the deputies. It is used for flowers and various other things. My most recent expenditure from that fund was I bought a bloodhound a couple of days ago.

Mr. HALLEY. That sort of gives you a general cash fund?

Mr. PURDOME. So that we can use it for the good of the office. If we have to make an investigation, and there is railroad fare involved sometimes perhaps, where the county court will not allow the expense, it comes from that fund.

Mr. HALLEY. You have made no effort to keep books for this commissary?

Mr. PURDOME. I haven't particularly. It has been a cash, a daily purchase. We take the money from the prisoners' envelopes on requisition. They write a request that they be allowed to purchase such things. We take the money from their envelopes and go each day and purchase the necessary things that we need to replenish the stock—

The CHAIRMAN. You do not have any ledger keeping an account of what is bought and what is taken in?

Mr. PURDOME. I do now. I haven't had up until the 1st of January, but we have a very detailed, a very—

Mr. HALLEY. Do you have that with you?

Mr. PURDOME. No; I haven't. I have a check book.

Mr. HALLEY. What was the gross amount taken in by that commis-sary for the first 6 months of 1950?

Mr. PURDOME. The first 6 months?

Mr. HALLEY. Yes.

Mr. PURDOME. I would say about \$2,000.

Mr. HALLEY. \$2,000?

Mr. PURDOME. Yes.

Mr. HALLEY. Gross amount?

Mr. PURDOME. Yes.

Mr. HALLEY. Is 1950 different from any other year?

Mr. PURDOME. No. Well, our population is a little heavier. The population now is running about 250 prisoners per day. Of course, the population of the prisoners would have much to do with the receipts.

The CHAIRMAN. We must move on.

Mr. HALLEY. I have nothing else.

Mr. WHITE. I would like to ask two questions, sheriff. Were you acquainted with Wolf Ryman?

Mr. PURDOME. Yes.

Mr. WHITE. Did he operate coin machines in the county?

Mr. PURDOME. Yes; he did.

Mr. WHITE. He was recently murdered, was he not?

Mr. PURDOME. Yes.

Mr. WHITE. Did you have any business ventures with him?

Mr. PURDOME. No.

Mr. WHITE. Were you contemplating any business ventures with him?

Mr. PURDOME. No. At one time they were going into the liquor business and I was approached to go into the liquor business with him. Some things developed, and it seemed that he had—

The CHAIRMAN. Let us answer the question, Sheriff.

Mr. PURDOME. I was trying to answer with an explanation.

Mr. WHITE. You did not at any rate actually enter into any business with him?

Mr. PURDOME. No; I had not. I had at one time contemplated going into the liquor business, but I didn't.

Mr. WHITE. One further thing.

Mr. PURDOME. At no time did I have any business association with him.

Mr. WHITE. One other item, Sheriff. I see an average income here of from four to six thousand dollars for Federal prisoners reported on your return.

Mr. PURDOME. Yes.

Mr. WHITE. Who buys the food for those prisoners?

Mr. PURDOME. I do. That is, I say I do, one of the deputies.

Mr. WHITE. Who pays for it?

Mr. PURDOME. The county court.

Mr. WHITE. Is this fee that the Government pays you directed to you personally or is it directed to the county?

Mr. PURDOME. To me personally.

Mr. WHITE. In other words, the county provides the jail and the food and the Government pays you so much a prisoner just to keep a record on them, is that it?

Mr. PURDOME. I will explain that. The county provides the food. We purchase from individual vendors and then the county pays the bill. The Government pays us \$1 a day for each Federal prisoner and 75 cents of that goes back to the county and 25 cents each day goes to me.

Mr. WHITE. In other words, there is no personal expense to you for keeping custody of the prisoners.

Mr. PURDOME. No personal expense except the trouble that we go to in keeping them and handling the prisoners.

Mr. WHITE. But the county pays your salary and pays the deputies' salaries in any case whether you had any Federal prisoners or not.

Mr. PURDOME. That is true. The county receives an income. We usually feed the prisoners right now for about 49 or 52 or 53 cents a day.

Senator TOBEY. Three meals a day?

Mr. PURDOME. Three meals a day.

Senator TOBEY. What does it cost you for your three meals?

Mr. PURDOME. Pardon?

Senator TOBEY. What does it cost to feed you three meals a day?

Mr. PURDOME. It costs a great deal more than that. We feed them for about 51 to 52 cents a day and we give them three good, wholesome meals. The county receives about 25 cents a day income.

The CHAIRMAN. We can't go into so much detail on these matters. Sheriff, just offhand it looks to me like you need a larger force, you need some more men, and you need a little more interest in law enforcement. There is a great deal of evidence of illegal operation out in the county outside of the city limits that reasonable men ought to know about. Of course, that is your problem. That is just the appearance.

Mr. PURDOME. I think the county is pretty clean. There has been no gambling—

The CHAIRMAN. Sheriff, 25 or 30 fellows here go from one gambling organization and operation to another. You look at their criminal records, and maybe they have been arrested a lot of times, but never convicted. Some of them are in four or five at a time. You know who they are and you know how you can find out who they are if you don't know. That is your business, Sheriff. I thank you very much.

Mr. PURDOME. Thank you.

The CHAIRMAN. Who is the next witness?

Mr. HALLEY. We have the records of the Jefferson City Bank. Perhaps we had better take them now.

Mr. PURDOME. Are you finished with these?

The CHAIRMAN. We don't need your income-tax returns.

Mr. PURDOME. I presume that you might be interested in any information that I might have. I hope you will.

The CHAIRMAN. You brought full information, I want to say that.

Mr. PURDOME. I think it is a little beside the point. If you have time to hear me for just a minute, it might be of interest to you.

The CHAIRMAN. How long, Sheriff?

Mr. PURDOME. Just about 3 minutes.

The CHAIRMAN. O. K., go ahead.

Mr. PURDOME. Back in 1946—I think you are interested in the wire situation.

The CHAIRMAN. Yes, sir.

Mr. PURDOME. Aren't you? Is that of interest to you?

The CHAIRMAN. Yes, sir; tell us whatever you have on it.

Mr. PURDOME. Back in 1946 a gentleman came here from Chicago and he called on an attorney. He called—I think he prevailed on the chief of police and also on the FBI. So finally this attorney called our office and also called the prosecuting attorney, so we went over to his office, myself and one or two of my men, and the assistant prosecuting attorney, Michael O'Hearn, who at that time was assistant. We went over to his office and he told us a story. He was handling a wire service in Kansas City here. Mr. Partnoy had been his subscriber, and Mr. Partnoy had seen fit to change to some other syndicate. It seems as though his story was that Mr. Partnoy had been threatened, and he himself, and this Burk who came here from Chicago, he said that he was beaten up the previous day down around Fourteenth and Main. Of course he couldn't identify any of his assailants but he thought they were from St. Louis.

We went to St. Louis at the time, that is, we were pretty well convinced that a syndicate was trying to move into Kansas City at that time. He thought that there might be some violence over the situation. So we sent a man down to St. Louis to check up and through the St. Louis Police Department to try to determine any one who might be interested or might have been the persons who assaulted this man at Fourteenth and Main.

Here are some pictures of the information that we picked up at that time. Whether it ties in with anything that you are doing or anything that you are trying to do—

The CHAIRMAN. Explain this to us. What is this information?

Mr. WHITE. Who was the complainant, first of all?

Mr. PURDOME. His name was Burk, from Chicago.

Mr. WHITE. What was his first name?

Mr. PURDOME. I don't recall his first name. I have it in my files there.

Mr. WHITE. He was beaten while he was temporarily here in this regard?

Mr. PURDOME. Yes. I think he owned the Main Hotel at Fourteenth and Main, and he was beaten at that time.

Mr. WHITE. He owns the hotel?

Mr. PURDOME. Yes. I think he does.

Mr. WHITE. I thought he was from Chicago.

Mr. PURDOME. He was from Chicago but he owned this hotel here, that is, in the family. They owned property here.

Mr. WHITE. Did he represent Continental Press?

Mr. PURDOME. I think he did. It was that green—think he represented the green newspaper. Do you recall which one that is?

The CHAIRMAN. It apparently was. He said Partnoy had been his man. Who was the lawyer?

Mr. PURDOME. Michael Konomos.

The CHAIRMAN. What did you find out in St. Louis? You have shown us a lot of pictures.

Mr. PURDOME. These pictures were furnished us by the St. Louis Department.

Mr. WHITE. As being what?

Mr. PURDOME. As being those who might be interested or who would be a member of the syndicate from Chicago that would be trying to take over the news service.

The CHAIRMAN. Did you ever get any more definite information about it?

Mr. PURDOME. We have heard nothing more about it.

The CHAIRMAN. Was anybody ever arrested?

Mr. PURDOME. No.

The CHAIRMAN. Did Mr. Partnoy complain to you about these people taking him over?

Mr. PURDOME. We interviewed Mr. Partnoy—

The CHAIRMAN. What did he say?

Mr. PURDOME. A few days later. I think he was out of town at the time this took place. When he came back we interviewed him. His information to us was that he was changing news service at the time, but there were no threats made to him. He would not make any complaints whatever.

The CHAIRMAN. It was all pleasant with him?

Mr. PURDOME. Yes.

Mr. WHITE. You did hear that the service was taken over, is that correct: that Trans-America took it over from Continental?

Mr. PURDOME. Mr. Partnoy informed us that he had changed, but there had been no threats made.

Mr. HALLEY. The chap who was beaten up was the Continental representative who had come down from Chicago to try to take the business?

Mr. PURDOME. As I recall it was the Continental Service. His name was Burk.

Mr. WHITE. Do you have his full name and address in your files?

Mr. PURDOME. I am sure we do have.

The CHAIRMAN. Will you furnish all that information to Mr. White or Mr. McCormick when they ask about it?

Mr. PURDOME. That is Gargotta [indicating picture].

Senator TOBEY. That is the killer?

The CHAIRMAN. Did that come out of St. Louis?

Mr. PURDOME. No; that was taken of Gargotta here.

Senator TOBEY. Who was the other fellow?

Mr. PURDOME. That is Binaggio.

Senator TOBEY. Is the scalp broken open at the top there?

Mr. PURDOME. In performing the post they had opened the skull to get a specimen and to take the bullet out.

Mr. WHITE. Do I understand the St. Louis police indicated Binaggio and Gargotta as possible thugs in this incident you are speaking of?

Mr. PURDOME. No, no.

Mr. WHITE. The inclusion of the pictures wasn't in that connection.

Mr. PURDOME. These are St. Louis men here, but the pictures just happened to be in that file.

The CHAIRMAN. You had better keep this because we have information about most of these people. They might help you in trying to find out who this was.

All right, Sheriff, thank you.

Mr. PURDOME. Okay, gentlemen, thank you very much.

The CHAIRMAN. Is there any other information you think we would be interested in here? Have you got any clues; do you know who killed Binaggio and Gargotta?

Mr. PURDOME. No.

The CHAIRMAN. You are still working on it?

Mr. PURDOME. Yes; still working on the case.

The CHAIRMAN. Is the FBI working on it?

Mr. PURDOME. In our rather feeble way we will continue to work on it.

The CHAIRMAN. Has the FBI been working on that?

Mr. PURDOME. Not to my knowledge.

The CHAIRMAN. How big a force did they have here to work on the ballot theft; do you know? Did they have a lot of people?

Mr. PURDOME. I don't recall. I believe the morning the theft was discovered, I think there were four men; as I recall there were four men at the scene. I don't know whether they had more than that working or not.

The CHAIRMAN. All right.

Mr. WHITE. Have you any objection to leaving these pictures with us for the time being, Sheriff? I will undertake to return them to you some time in the next week or two. If you have, we won't press the matter at all. I will come over to your office and ask you for them if you will be good enough.

Mr. PURDOME. They are a part of our records over there. I will be glad to make copies for you.

Mr. WHITE. I will get in touch with you.

Mr. PURDOME. Will you do that? All right, I want you to understand that our office is willing and glad to cooperate at any time.

The CHAIRMAN. Call Mr. Vetter.

Mr. Vetter, do you solemnly swear the testimony you will give this committee will be the whole truth and nothing but the truth, so help you God?

Mr. VETTER. I do.

#### TESTIMONY OF ALEX VETTER, VICE PRESIDENT, CENTRAL MISSOURI TRUST CO., JEFFERSON CITY, MO.

The CHAIRMAN. Let us get down to the point.

Mr. HALLEY. You are from the Jefferson City bank?

Mr. VETTER. Central Missouri Trust Co.

Mr. HALLEY. Did your bank have the account of the Missouri State Democratic Committee in 1948?

Mr. VETTER. Yes, sir.

Mr. HALLEY. We have subpoenaed those records from the bank.

Mr. VETTER. That is right.

Mr. HALLEY. Will you explain to the committee what you brought?

Mr. VETTER. I have some photographic copies there in the bag which I don't think will be of any help. They will show only the statement sheet each month. You would have to have a projector to show them. I brought them along in case you want to see them.

The CHAIRMAN. They are microfilmed, you mean?

Mr. VETTER. They are microfilmed. I have here duplicate copies of all the deposits made on the account from March 3, 1948, through October 26, 1948, with a list of the checks and items that made up those deposits except that there are a few omissions, and those are items that we could not find. They are small amounts. They would be those that we have no record of, that are drawn on another bank in

the city and they have clearing items and we don't picture those. I think if you go through it you will find the sums involved very, very small.

Mr. HALLEY. In short, you have produced substantially complete a transcript of the account with all deposits and all the withdrawals?

Mr. VETTER. That is right.

Mr. HALLEY. You are able to produce that here now and leave it with the committee?

Mr. VETTER. Yes.

The CHAIRMAN. Let us see what it is you have.

Mr. VETTER. I will need those on the back there, Senator. Those things. They will have to go back to the bank. I brought those along to show the balances. They are our stubs from the ledger sheets.

The CHAIRMAN. You mean these have to go back to the bank?

Mr. VETTER. Yes. I don't think you will have any need for them.

The CHAIRMAN. This shows checks deposited March 3, 1948, to the Democratic State Committee and the date, the bank they are drawn on, the maker, and the amount.

Mr. VETTER. That is right.

The CHAIRMAN. You have them all here except some little inconsequential amounts, you say?

Mr. VETTER. On that deposit ticket, that is the first one. The attached slip makes up the item.

The CHAIRMAN. This is what made up the deposit.

Mr. VETTER. That is right. As you go through there is a deposit ticket attached to each list. You will find there are very few items missing.

The CHAIRMAN. This, then, is what the microfilms would show?

Mr. VETTER. The microfilm records, Senator, will show a copy of the balance sheet, which this stub is taken off of, a record of all the deposits and the checks that were charged and credited to the account.

Senator TOBEY. Here is an item, a check drawn on Union Bank & Trust Co., \$500. That doesn't tell who gave the money, does it? A bank cashier's check.

Mr. VETTER. That is right.

Senator TOBEY. Are you satisfied to make that disclosure?

Mr. VETTER. You would have to go back and look up who issued the check.

Senator TOBEY. In other words, they wanted to keep it from the public who gave the records. They would just get a cashier's check and send it in.

Mr. VETTER. You would have to go back to the bank that issued the cashier's check and see who bought it.

Senator TOBEY. Exactly.

Mr. VETTER. That is right.

Senator TOBEY. This is a delayed pass to make more trouble and people might not do it.

(Discussion off the record.)

The CHAIRMAN. We will make these exhibits. How many sets of these do you have?

Mr. VETTER. That is it. This is all.

The CHAIRMAN. This will be marked as exhibit No. 25 to your testimony.

(Exhibit No. 25 was returned to the witness.)

The CHAIRMAN. How big did the account get, just looking at your ledger there, the biggest amount?

Mr. VETTER. I could call these off for each month.

The CHAIRMAN. Suppose you do that.

Mr. VETTER. You want the highest balance during the month?

The CHAIRMAN. Approximately.

Mr. VETTER. Here, would you like to see them?

The CHAIRMAN. Let's see.

Senator TOBEY. It shows October 30, 1948, \$10,947.

Mr. VETTER. I think you have a different account there.

Senator TOBEY. That is "Forrest Smith for Governor."

The CHAIRMAN. That is a different one. Here is the Democratic State Committee, Charles Strong and Edlund became treasurer.

Mr. VETTER. I believe in September Edlund became treasurer.

The CHAIRMAN. March of 1948, \$3,250 seems to be the highest. In April about \$5,700. May, \$5,200.

Senator TOBEY. Is this the only bank they deposited in, in your bank?

Mr. VETTER. I don't know.

The CHAIRMAN. June, \$3,700.

Mr. VETTER. It is the only one I know of. They may have others.

The CHAIRMAN. July, \$2,800. August, \$2,700. September, \$11,000. October, \$24,000, seems to be the highest item. November, \$11,000. Here is another November. That is a continuation.

It gets down to \$933 at the end of November 30.

All right, that gives us an idea. You have another account, have you not?

Mr. VETTER. Yes, sir.

The CHAIRMAN. Explain the other account.

Mr. VETTER. The other account is the Forrest Smith for Governor Club, V. E. Ragland, treasurer. That account was opened on October 13, 1948, and your records we have given you go through the election. That is what we were asked to give. We have the deposits detailed here in a manner similar to what you have on the Democratic Committee.

The CHAIRMAN. Let that be filed as exhibit No. 26.

(Exhibit No. 26 was later returned to the witness.)

The CHAIRMAN. Apparently this starts out October 13, 1948, in the amount of \$10,974, and it went on through and decreased on down until December 29, 1948, when it seems to have decreased to \$469.53. In November it was a little less than that. All right, sir.

Is there any other record that you brought?

Mr. VETTER. No; that is all I was asked to bring, Senator.

The CHAIRMAN. Any questions, Senator Tobey?

Senator TOBEY. No.

Mr. HALLEY. No.

The CHAIRMAN. Thank you, Mr. Vetter.

Mr. VETTER. You are welcome, Senator. If there is anything further—

The CHAIRMAN. You say the microfilm only shows the other ends of these ledgers?

Mr. VETTER. That is right.

The CHAIRMAN. I think we probably will not want to see them, but they are kept permanently?

MR. VETTER. Oh, yes. This stuff is very difficult to assimilate and bring up in this form.

THE CHAIRMAN. Mr. Vetter, if there is any other information we want, would you consider this subpoena that has been served upon you sufficient to let Mr. White or one of the agents of the committee see in your office over there what it is they want to see in these matters?

MR. VETTER. Senator, I am not sure where we stand on this subpoena. You know it was issued to our president, Howard Cook, and he was on his vacation. They brought it back. They never did actually serve it. They said that they would check with us, and we agreed to accept service by telephone. They did call back and asked me to bring up what I brought today.

MR. HALLEY. In short, you have voluntarily produced the material and if we need any further information you will continue voluntarily to produce it?

MR. VETTER. We would prefer to have it subpoenaed.

MR. HALLEY. You will get a subpoena, then.

MR. VETTER. We prefer to have that. It is a protection to us.

SENATOR TOBEY. Were these microfilms concealed in a pumpkin?

MR. VETTER. No, sir; we kept ours in a vault.

THE CHAIRMAN. We asked Mr. Ragland to come back today.

Mr. Ragland, you were sworn yesterday. Go ahead, Mr. Halley.

**FURTHER TESTIMONY OF B. E. RAGLAND, ASSISTANT TREASURER,  
DEMOCRATIC STATE COMMITTEE, JEFFERSON CITY, MO.**

MR. HALLEY. Mr. Ragland, yesterday you testified that in addition to the books and records which you kept as assistant treasurer to the State Democratic committee, you also kept an entirely different set of accounts for the primary campaign of Governor Smith; is that right?

MR. RAGLAND. That is correct, sir.

MR. HALLEY. Which did not go through the State committee at all?

MR. RAGLAND. That is right.

MR. HALLEY. Are you now prepared to testify about the primary campaign expense?

MR. RAGLAND. Yes, sir.

MR. HALLEY. Will you proceed?

MR. RAGLAND. I did not bring these records yesterday. I called my secretary and she brought them up today. However, she did not bring the bank statements. I can get those for you and mail them to you, and let Mr. White or somebody look at them or whatever you care to do.

MR. HALLEY. Go ahead and tell us about what you have, and later will you make the bank statements available to Mr. White.

MR. RAGLAND. Surely. She just couldn't locate them there.

MR. HALLEY. Go ahead then.

THE CHAIRMAN. When you get them you will let us examine them and make them a part of the record in this case?

MR. RAGLAND. Yes, surely.

This is the Forrest Smith for Governor Club. You want the other fund first, is that right?

MR. HALLEY. Which do you refer to now as the other fund?

MR. WHITE. The primary.

Mr. RAGLAND. The primary.

As I told you yesterday, I was employed in the State auditor's office. We had a fund, some people called it the flower fund, others the employees' fund. I took care of that fund. That was where all employees donated each month. That money was used for flowers and picnics, and so forth. Then when Governor Smith announced for Governor he told me to handle his campaign fund. So I ran that right in that same fund.

Mr. HALLEY. Into the employees' flower fund?

Mr. RAGLAND. That is right, sir.

Senator TOBEY. How did you differentiate between the flower fund and the Smith fund?

Mr. RAGLAND. Well, it was all campaign money. I stubbed on my checks. I showed what I was spending the money for. I just kept that all in this one fund for my own protection instead of starting another and separate bank account.

Mr. HALLEY. I don't understand why you should have put it into the flower fund. Why didn't you start a new one?

The CHAIRMAN. Let's see if this is correct. Mr. Smith was the State auditor.

Mr. RAGLAND. That is correct.

The CHAIRMAN. Under him he had a number of employees.

Mr. RAGLAND. That is right.

The CHAIRMAN. You were with Mr. Smith while he was State auditor as chief clerk of his auditing department. In this auditing department you had a little contribution you got from the employees of that particular department.

Mr. RAGLAND. That is right.

The CHAIRMAN. For the purpose of having a fund on hand for picnics and flowers.

Mr. RAGLAND. If anybody died and things of that sort, instead of passing the hat it was paid for out of that fund.

The CHAIRMAN. Was it compulsory that they pay something into the fund?

Mr. RAGLAND. No, sir.

The CHAIRMAN. Was there any particular percentage of their wages or salary that went into this?

Mr. RAGLAND. Two percent.

The CHAIRMAN. How much did that fund amount to, do you have it there?

Mr. RAGLAND. Yes, sir. One percent was paid to the State committee; one percent was retained there in the office.

The CHAIRMAN. How much did it amount to?

Mr. RAGLAND. I would have to call off these items. Here is my cash control record from the time that I took over the fund, May 27, 1947, I received \$502.40 from the man who previously handled the fund. From then on it shows the entries in this fund.

The CHAIRMAN. Who paid and how much.

Mr. RAGLAND. Yes, sir. Here is an entry from employees for July, August, and September, \$692.28. Charles M. Strong, who was former treasurer of the Democratic committee. There is a pay-out to him.

The CHAIRMAN. \$334.32.

Mr. RAGLAND. Yes, sir. These are the pay-outs. The first one there is Bush. That is a floral company. Charles Strong, treasurer,

that is for the employees, their part, \$261.20. Tribune, \$2.50, Bishop, \$510. E. L. Pigg, \$36.

The CHAIRMAN. Who is that?

Mr. RAGLAND. I think that was for whisky to take up to the State fair.

Senator TOBEY. Are you telling us that you had a flower fund or a picnic fund of petty cash on hand in the bank and that you became treasurer of this Democratic or Smith for Governor campaign, and do I get it that the contributions to that you stuck in this same flower fund?

Mr. RAGLAND. Yes, sir.

Senator TOBEY. In a common bank account?

Mr. RAGLAND. Yes, sir.

Senator TOBEY. Do you not know that violates the first principle of business decency? It is almost criminal in some States to do a thing like that.

Mr. RAGLAND. Well, Senator, the Governor told me to take care of his funds and I thought—

Senator TOBEY. Why did you not put them in the Smith for Governor fund by itself and then it would be identified and stand out clear-cut and crystal clear?

The CHAIRMAN. How much did you have here in flower fund when he started running for Governor or, rather, when you took over, when the thing was transferred to the Smith for Governor fund?

Mr. RAGLAND. I would have to do some figuring here, Senator. I started here January 21, 1948, and have a list of all contributors that contributed to that fund. I have those right here.

The CHAIRMAN. How much did you have on hand here at 1-21-48?

Mr. RAGLAND. We would have to take what I started with and what I collected and take the disbursements. It balanced out at 10-25-47 I had \$1,058 on hand. Then these amounts here taken from that would be about what we had on hand.

The CHAIRMAN. You seem to have taken, looking at it here, roughly, \$154 from that.

Mr. RAGLAND. Yes, sir.

The CHAIRMAN. You did have some amount, five or six or seven or eight hundred dollars on hand when he started his campaign.

Mr. RAGLAND. Yes, sir.

The CHAIRMAN. That was turned into his campaign fund?

Mr. RAGLAND. I handled those two funds together. The money was turned over to me, and rather than start another bank account I just carried it all in that one fund.

The CHAIRMAN. Is this reflected on the records of the bank account that Mr. Edlund brought us yesterday?

Mr. RAGLAND. No, sir. What we had yesterday was the Democratic State committee. This is the Smith primary fund.

The CHAIRMAN. Go ahead and explain that.

Mr. RAGLAND. These sheets here show each employee's contribution for a quarter. I handled it by quarters, January, February, March. That is the first quarter of 1948. That shows the total collections, the amount paid the State committee. That also shows on here.

The CHAIRMAN. How much was the total collections for the first quarter of 1948?

Mr. RAGLAND. 1948, total collections \$495.17, less Brown and Sholton. That was probably money that they paid in advance or paid in arrears. That amount was taken off, leaving \$654.27. The amount paid to the State committee, \$327.13.

The CHAIRMAN. Somewhere along the line you turned over to the bank in the Smith for Governor primary, the first bank deposit shows, about \$11,000.

Mr. RAGLAND. \$11,000?

The CHAIRMAN. Yes.

Mr. RAGLAND. What fund is that you are speaking of?

The CHAIRMAN. Smith for Governor.

Mr. RAGLAND. No.

The CHAIRMAN. That is the general election?

Mr. RAGLAND. Yes, sir; that is the general election. I have that here.

Here are the donations. These are the donations, the campaign fund donations. Every person is listed there, every amount that they gave.

Mr. HALLEY. We are still on the primary?

Mr. RAGLAND. Yes, sir.

Mr. HALLEY. The primary?

Mr. RAGLAND. Yes, sir.

The CHAIRMAN. Let's get these identified.

First let's get the donations.

Mr. HALLEY. These are the accounts relating to the primary?

Mr. RAGLAND. Yes, sir; that is right.

The CHAIRMAN. You have two funds. First, an employees fund, is that right?

Mr. RAGLAND. That is right.

Mr. HALLEY. I offer in evidence a set of ledger sheets relating to the employees fund as exhibit No. 27. Would that be right?

Mr. RAGLAND. Known as the control record.

Mr. HALLEY. I offer in evidence a list of campaign fund contributions from persons other than State employees, is that right?

Mr. RAGLAND. No. They are State employees on there also.

Mr. HALLEY. This includes State employees and nonemployees.

Mr. RAGLAND. Some of these names on here are employees. We contributed extra. I believe we gave a half month's salary to Governor Smith.

Mr. HALLEY. This would be campaign fund contributions less exhibit No. 28.

Mr. RAGLAND. Yes; that is right.

Mr. HALLEY. I offer that in evidence.

Then you have a list of gross receipts for the first quarter of 1948. Would this be in the little employees fund that you are talking about?

Mr. RAGLAND. Yes, sir; those would be all employees.

Mr. HALLEY. This is exhibit No. 29, gross receipts in the so-called flower fund, is that right?

Mr. RAGLAND. Yes.

Mr. HALLEY. Exhibit No. 30—

Mr. RAGLAND. Is second quarter of 1948.

Mr. HALLEY. The same fund as exhibit No. 29.

Mr. RAGLAND. Yes, sir.

Mr. HALLEY. Do you have the third quarter, the same fund?

Mr. RAGLAND. Third quarter, yes, sir.

Mr. HALLEY. Exhibit No. 31 would be the same fund as exhibits 29 and 30. Do you have the last quarter?

(Exhibits No. 27, 28, 29, 30, and 31 were returned to the witness after analysis by the committee.)

Mr. RAGLAND. There was no assessment made in the last quarter.

Mr. HALLEY. No assessment made for the flower fund?

Mr. WHITE. What was the date Smith announced his candidacy?

Mr. RAGLAND. I don't know the exact date. I know he filed on his birthday, which was February 14.

The CHAIRMAN. 1948?

Mr. RAGLAND. 1948; yes, sir. I don't know what date he made his formal announcement.

The CHAIRMAN. This system of dividing the amount collected from the flower fund for miscellaneous expenses and then giving half of it to the State committee, was that carried on prior to the time he announced for Governor?

Mr. RAGLAND. Oh, yes.

The CHAIRMAN. It has been carried on a long time.

Mr. RAGLAND. Yes, sir.

The CHAIRMAN. Over a period of many years.

Mr. RAGLAND. I couldn't say how many years because I never came to the auditor's office until January of 1943.

The CHAIRMAN. Is that when you took it over?

Mr. RAGLAND. No, sir. I took over in 1947.

The CHAIRMAN. That is when the \$500 was turned over to you?

Mr. RAGLAND. Yes, sir. As I recall, in 1943, when I went there they were not making any assessment. I think it started again—I understood they had made assessments before that.

Senator TOBEY. Into the flower fund?

Mr. RAGLAND. Yes.

Senator TOBEY. Two percent of the salary?

Mr. RAGLAND. I don't know what it was, Senator. Then I think in 1944 it was started again.

The CHAIRMAN. What was it when you took over, what percent?

Mr. RAGLAND. Two percent.

Senator TOBEY. Did you take a percentage of campaign contributions, too, from the employees?

Mr. RAGLAND. One percent of that went to the State committee.

Senator TOBEY. So really it was a political contribution, that 2 percent, half of it.

Mr. RAGLAND. Yes, sir.

Senator TOBEY. The other half was for the flower fund.

Mr. RAGLAND. Yes, sir.

Mr. WHITE. That was the miscellaneous. In other words, the 1 percent that went to the State committee was not earmarked for flowers or anything of that sort. That was just a contribution.

Mr. RAGLAND. The way I handled it, whatever I collected on the quarter I would remit half of that to the State committee.

Mr. WHITE. Mr. Ragland, what was the date you took over the fund, please?

The CHAIRMAN. It shows on the first sheet.

Mr. RAGLAND. It shows on the control record of 1947. It was 5-27-47.

Mr. WHITE. That is actually the date that Smith did announce his candidacy informally?

Mr. RAGLAND. No, no. That was in 1947.

Mr. WHITE. He hadn't announced as candidate?

Mr. RAGLAND. No.

Mr. WHITE. Was it known he was going to run for Governor? Was that the purpose of your taking over the fund?

Mr. RAGLAND. No, no; the purpose of my taking it over was that the man who had been handling it was losing his mind and had to have someone else to handle it.

Mr. WHITE. The only thing I am trying to arrive at for the purpose of my later analysis of these records was to determine at what time you started considering this fund a Smith-for-Governor fund as opposed to the miscellaneous expense fund.

Mr. RAGLAND. I just separated it; I started there the first year. The campaign year was 1948.

Mr. WHITE. Had there been any contributions to Smith for Governor prior to that time or not?

Mr. RAGLAND. No, sir. It shows here on the control, every contribution that I had.

Mr. HALLEY. They are all attached to it.

The CHAIRMAN. It appears there, I believe, Mr. White, about the first of the year.

Mr. RAGLAND. This shows what was received up to January 21, 1948. The first entry where I made this break here was a list of donations, \$1,425.

Mr. HALLEY. We will keep these and you can study them. It is all right in the record.

Mr. RAGLAND. Yes, sir.

Mr. HALLEY. Let's get into evidence, then, the gross receipts for the second, third, and fourth quarters of 1947 as exhibit No. 31; will that be right?

The CHAIRMAN. No; exhibit No. 32.

Let it be received and made a part of the record.

(Exhibit No. 32 was later returned to the witness.)

Mr. HALLEY. What else do you have?

Mr. RAGLAND. Donations after the primary.

Mr. HALLEY. That went into what fund?

Mr. RAGLAND. This same fund here.

Mr. HALLEY. Into the same fund?

Mr. RAGLAND. Yes.

Mr. HALLEY. Were they turned over subsequently to the State committee or how were they used?

Mr. RAGLAND. They were used just to pay bills.

The CHAIRMAN. Mark that "Exhibit No. 33."

Mr. HALLEY. Exhibit No. 33, donations after August 2, 1948.

Mr. RAGLAND. It will show on the control record every amount, each amount that has been paid to the State committee.

(Exhibit No. 33 was later returned to the witness.)

Mr. HALLEY. What other records do you have pertaining to the primary?

Mr. RAGLAND. This amount of money here was handled in cash.

Mr. HALLEY. You mean this is in addition to the fund we have just been talking about?

Mr. RAGLAND. Yes. The reason it was handled in cash, I kept these records at the State auditor's office. Governor Smith's headquarters was four or five blocks away. He always needed some money down there to pay out these amounts here—like Negroes coming in and wanting some money. Those bills were paid in cash.

Mr. HALLEY. Is this a disbursement sheet?

Mr. RAGLAND. This is the receipts and that is disbursements. I kept this for my own protection.

Mr. WHITE. This was more or less a petty-cash fund for immediate expenses.

Mr. RAGLAND. To have cash on hand down at the headquarters. I kept these records over at the State auditor's office.

Mr. HALLEY. How did you balance out your cash at the end of the primary campaign? What did you do with whatever balance of cash you had? Does that show here?

Mr. RAGLAND. I don't know. It looks like this item here [indicating] would be what we had in there, and probably any balance due, or if there was any balance in that fund, I don't know where it was transferred over here. It doesn't show on here.

Mr. HALLEY. Your last item went to someone. Was that in payment of some expense?

Mr. RAGLAND. That is right. He was from St. Louis County.

Mr. HALLEY. You turned over \$655.65.

Mr. RAGLAND. I might have paid him the balance, whatever it was, and this would be what we had left; I gave him what we had left in that fund, too.

Mr. HALLEY. It would look that way. That was a balancing item; wasn't it?

Mr. RAGLAND. That is right.

Mr. HALLEY. It made the receipts equal to your disbursements?

Mr. RAGLAND. That is right.

Mr. HALLEY. I offer it in evidence as exhibit No. 34.

The CHAIRMAN. That will be received.

(Exhibit No. 34 was later returned to the witness.)

Mr. HALLEY. Anything else?

Mr. RAGLAND. That is all I have on the primary.

Mr. HALLEY. I will ask, Mr. Chairman; that any questions pertaining to the primary be gotten out of the way and then we will get into the other phase.

The CHAIRMAN. You have explained all the funds that Mr. Smith had for his Democratic primary?

Mr. RAGLAND. Yes, sir.

The CHAIRMAN. You handled all of the bank accounts and all of the funds that he had for his primary?

Mr. RAGLAND. I handled this record of all the money I handled.

The CHAIRMAN. You don't know of any other fund?

Mr. RAGLAND. No, sir; I don't know. I know there were other clubs scattered throughout the State, Smith-for-Governor clubs, but whether they handled any money or not I have no knowledge of that.

The CHAIRMAN. I mean at the central offices or what not, you know of no other funds?

Mr. RAGLAND. No, sir; I am positive there was no other money handled.

The CHAIRMAN. What generally is the total amount of money that was spent in his primary election through your records?

Mr. RAGLAND. His primary, I think around \$17,000.

The CHAIRMAN. Is that more or less than the law allows?

Mr. RAGLAND. I think it is just about—it might be a little bit less.

The CHAIRMAN. You don't know what the law allows?

Mr. RAGLAND. No, sir. He filed his report in his home county.

The CHAIRMAN. Did you make the report from these records?

Mr. RAGLAND. I didn't make the report. I think Mr. Hendren made the report.

The CHAIRMAN. I assume the report is not in as much detail as this.

Mr. RAGLAND. Oh, no. I don't think so, because the law doesn't require him to list his contributors.

The CHAIRMAN. All right.

Senator Tobey, any questions about this?

Senator TOBEY. Yes.

I cannot get over the fact that here is a man fairly well along in years who must have some business experience, who comes in before us and has a cash account flower fund and then he puts campaign funds for Governor in with it and mixes them up together. It seems to me inconceivable that you could do that and still keep your self-respect. I never heard any more ridiculous procedure from a man who knows anything about the business of banking. A lot of men have gone to jail for getting accounts mixed up. They ought to. It is a foolish thing to do. Why did you not open a separate account for the Governor, clean-cut, standing out, and let it speak for itself?

Mr. RAGLAND. All right; I have the records, Senator.

Senator TOBEY. You picked them out yourself, but you have one banking account.

Mr. RAGLAND. Well, the money went in the bank.

Senator TOBEY. Oh, sure, the money went in the bank.

Mr. RAGLAND. And it was paid out by check.

Senator TOBEY. I know that. Do you stand up here and defend that practice as good banking practice?

Mr. RAGLAND. I defend myself that I kept these records to account for every dollar that was paid over to me and every dollar that was paid out.

Senator TOBEY. Did you have any personal funds in that, too?

Mr. RAGLAND. No, sir.

Senator TOBEY. Any other account besides these two?

Mr. RAGLAND. No, sir.

Senator TOBEY. I cannot see the connection between the two at all. Perhaps I am stupid, but I cannot see it. I have no other questions.

The CHAIRMAN. Was permission gotten of these people to transfer the account; that is, the contributors to the so-called flower account? Was any permission gotten from them to transfer it to the campaign account?

Mr. RAGLAND. I don't know that there was.

The CHAIRMAN. How many employees were there in the auditor's office.

Mr. RAGLAND. About 350.

The CHAIRMAN. All right. Now let us go on.

Mr. HALLEY. Now may we have the records for the general election?

Mr. RAGLAND. This is what is known as the Smith for Governor Club account. This is practically all, I believe, CIO money.

Mr. HALLEY. In general, let us get clear what we are talking about at this point. We are now away from the primary?

Mr. RAGLAND. Yes, sir.

Mr. HALLEY. We are on the general-election funds.

Mr. RAGLAND. Yes, sir.

Mr. HALLEY. The main central funds for the general election were kept by the State committee: is that correct?

Mr. RAGLAND. That is true.

Mr. HALLEY. You as assistant treasurer under the treasurer and with the treasurer had responsibility for that.

Mr. RAGLAND. That is right.

Mr. HALLEY. Yesterday you produced here the records of that campaign fund; is that right?

Mr. RAGLAND. Yes, sir.

Mr. HALLEY. It also appeared yesterday that there was in addition to the main campaign fund of the State committee a special fund; is that correct?

Mr. RAGLAND. Yes, sir.

Mr. HALLEY. I believe you testified yesterday that that was set up because you had certain contributions from, I believe, the CIO. Was it the CIO?

Mr. RAGLAND. Not on the special fund.

Mr. HALLEY. Not on the special fund. That is for the Smith for Governor Club?

Mr. RAGLAND. Yes.

Mr. HALLEY. That was put into a special fund, Forrest Smith for Governor Club, because it could not be used for any Federal election campaign money.

Mr. RAGLAND. That is correct.

Mr. HALLEY. You have that here now?

Let us dispose of that. What have you with relation to the Forrest Smith for Governor Club?

Mr. RAGLAND. This is the control record showing the receipts and the disbursements.

The CHAIRMAN. Mark them as exhibits as we go along.

Mr. HALLEY. Mark this as "Exhibit No. 35," please.

Mr. RAGLAND. Here is the bank statement. There are the canceled checks.

Mr. HALLEY. We are still talking about the Forrest Smith for Governor Club?

Mr. RAGLAND. Yes, sir.

Mr. HALLEY. Here are the bank statements, exhibit No. 36.

Mr. RAGLAND. Yes, sir.

Mr. HALLEY. The checks are the disbursements out of the Forrest Smith for Governor Club. Exhibit No. 37.

Mr. HALLEY. What else have you with reference to Forrest Smith for Governor Club?

Mr. RAGLAND. I have the check books that I used and the stubs.

Mr. HALLEY. Make that exhibit No. 38.

Mr. HALLEY. What else is there with reference to Forrest Smith for Governor Club?

Mr. RAGLAND. Here is the bank recap.

Mr. HALLEY. Exhibit No. 39, bank recap.

Mr. RAGLAND. Would you rather have one that is typed?

Mr. HALLEY. Are they the same thing?

Mr. RAGLAND. The same thing.

The CHAIRMAN. Let's have a typed one.

Mr. HALLEY. We will have a typed one and you keep the other.

Bank recap, exhibit No. 39, in typewritten form.

Mr. RAGLAND. This is a copy of those disbursements.

Mr. HALLEY. You mean you have recapped the disbursements?

Mr. RAGLAND. Yes, sir.

Mr. HALLEY. You have had it typed up?

Mr. RAGLAND. Yes; the same thing.

Mr. HALLEY. Let's have that as exhibit No. 40, typewritten form.

(Exhibits No. 35, 36, 37, 38, 39, and 40 were returned to the witness after analysis by the committee.)

Mr. RAGLAND. That is all there is. You see, this was pulled off in pencil and typed on here, a duplication.

Mr. HALLEY. What was the total amount of money in the Forrest Smith for Governor Club?

Mr. RAGLAND. I will have to refer to the control record there. The total receipts of the club was \$14,084.89.

Mr. HALLEY. Was that all received from labor unions or were there other items in that too?

Mr. RAGLAND. Let's see now—

Mr. HALLEY. As I understood it you set it up at something like \$3,000 from the CIO.

Mr. RAGLAND. I think it is \$13,882.58.

Mr. HALLEY. That is the total amount; is that right?

Mr. RAGLAND. Yes, sir. Then added to that fund was some refunds, like the Missouri Press Association. I think we bought advertising and they didn't deliver. It had been paid in advance, so they refunded us the \$117.20. Ruth Jensen, refunded \$15, paid for something. Then later on we accepted \$10 from UAW of America Local, CIO, No. 108. We received another refund from the Missouri Press Association of \$60.11. \$13,882.58 plus these refunds makes \$14,084.89.

Mr. HALLEY. Going back to the \$13,882.58, what was the source of that? Was it contributions?

Mr. RAGLAND. That was all from the CIO.

Mr. HALLEY. All from the CIO?

Mr. RAGLAND. All from CIO labor unions.

Mr. HALLEY. All labor unions?

Mr. RAGLAND. They are listed here.

Mr. HALLEY. Thank you.

The CHAIRMAN. Were they locals around in the State of Missouri generally?

Mr. RAGLAND. Senator; I don't know. When I entered the money, I would take off the checks. They had printed checks. Like this one, for instance, UAW, Local 249.

The CHAIRMAN. Yes. That is all right. It shows there what it is.

Mr. RAGLAND. Yes, sir.

Mr. HALLEY. You have some individuals. Were they members of labor unions?

Mr. RAGLAND. Those are pay-outs.

Mr. HALLEY. I see.

The CHAIRMAN. I think we have it. Any questions about that fund? Then that constitutes all the funds.

Mr. RAGLAND. I have shown you everything, every fund that I handled.

The CHAIRMAN. Any questions, Senator Tobey?

Senator TOBEY. No questions.

Mr. HALLEY. We have to cover that Molasky \$2,000. Didn't that go into one of these funds in some way? Can you relate that to the specific accounting on one of these funds?

Mr. RAGLAND. That was on that yellow sheet I showed you.

The CHAIRMAN. It was on the yellow sheet that we have.

Mr. HALLEY. That is right, and the balance from the yellow sheet went into which fund?

Mr. RAGLAND. That was money in cash.

Mr. HALLEY. Some amounts were withdrawn from that.

Mr. RAGLAND. It went into the bank account.

Mr. HALLEY. Went into the regular committee bank account?

Mr. RAGLAND. Yes.

Mr. HALLEY. Then it is clear.

The CHAIRMAN. All right, Mr. Ragland. Thank you for your co-operation.

Mr. RAGLAND. All right, Senator. I spoke to Mr. White about the records. I would like to take them back, but he assures me he will take good care of them.

The CHAIRMAN. We have the records right here, and we are going to take care of them.

Mr. RAGLAND. That is the only protection I have. There has been a lot of publicity in the newspapers about the records.

The CHAIRMAN. Yes.

Mr. RAGLAND. I have never refused to show them to any Treasury Department representative or any person authorized by law to inspect the record. They are available at any and all times.

The CHAIRMAN. I know that we must take good care of the records, and we will, Mr. Ragland. They will be returned to you.

Who is next, Mr. Halley.

Mr. HALLEY. Call Mr. Lacoco.

The CHAIRMAN. Do you solemnly swear that the testimony you will give this committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. LACOCO. Yes, sir.

#### TESTIMONY OF THOMAS LACOCO, KANSAS CITY, MO.

Mr. GOLDSCHIEIN. Your name is Tano Lacoco?

Mr. LACOCO. Thomas Lacoco.

Mr. GOLDSCHIEIN. Thomas Lacoco.

Where do you live?

Mr. LACOCO. 346 South Jackson.

Mr. GOLDSCHIEIN. Where were you born?

Mr. LACOCO. Kansas City.

Mr. GOLDSCHIEIN. Have you lived here all your life?

Mr. LACOCO. Yes, sir.

Mr. GOLDSCHEIN. Mr. Lacoco, you were at one time connected with Green Hills Gambling Casino, were you not?

Mr. LACOCO. Yes, sir.

Mr. GOLDSCHEIN. How long ago was that?

Mr. LACOCO. I think it was once in 1941—

The CHAIRMAN. Louder.

Mr. LACOCO. I think it was 1941 or 1942.

Mr. GOLDSCHEIN. You continued on through 1946, did you not?

Mr. LACOCO. 1946? I don't think I did anything in 1946.

Mr. GOLDSCHEIN. You were still in that Green Hills in 1946?

Mr. LACOCO. I don't remember in 1946, Mr. Goldschein.

Mr. GOLDSCHEIN. Were you in 1949?

Mr. LACOCO. No, sir.

Mr. GOLDSCHEIN. You are sure you weren't in 1949?

Mr. LACOCO. Green Hills?

Mr. GOLDSCHEIN. Yes.

Mr. LACOCO. Yes.

Mr. GOLDSCHEIN. It opened for a month in 1949, remember?

Mr. LACOCO. I don't remember that. It could have been.

Mr. GOLDSCHEIN. You were connected with the Standard News Service?

Mr. LACOCO. What is that, Mr. Goldschein?

Mr. GOLDSCHEIN. Standard News Service.

Mr. LACOCO. The wire service, you are talking about?

Mr. GOLDSCHEIN. Don't you know what the name of the company is?

Mr. LACOCO. I don't know the names of the company, Mr. Goldschein.

Mr. GOLDSCHEIN. You do not? Tell us what you know about it.

Mr. LACOCO. All I know about it, Mr. Osadchey approached me and asked me if I wanted to get in the service, and I asked him how it was, and he said he think it was all right.

Mr. GOLDSCHEIN. When did you get in?

Mr. LACOCO. I think it was in 1946.

Mr. GOLDSCHEIN. In 1946?

Mr. LACOCO. I think so.

Mr. GOLDSCHEIN. Where did he talk to you about it?

Mr. LACOCO. I don't remember where it was, but he talked to me and asked me if I would like to have 25 percent, and I said, "Is it all right? If it is all right, I would like to have it."

Mr. GOLDSCHEIN. What do you mean, if it is all right; is it legal?

Mr. LACOCO. I don't know.

Mr. GOLDSCHEIN. What do you mean by "all right"? You asked him if it was all right. What did you mean by "all right"?

Mr. LACOCO. You don't have to shout at me, Mr. Goldschein.

Mr. GOLDSCHEIN. You don't talk loud, and I can't hear you.

Mr. LACOCO. I am doing the best I know how, Mr. Goldschein.

Mr. GOLDSCHEIN. Talk a little bit louder. You can talk louder than that. I have heard you talk louder than that, sir. Let's hear it.

Mr. LACOCO. What do you want to know?

Mr. GOLDSCHEIN. I want to know what you meant when you asked him, "Is it all right?"

Mr. LACOCO. I asked him if it was all right. I didn't know what the wire service was.

Mr. GOLDSCHEIN. I want to know what you meant when you asked him if it was all right? What did you mean by that?

Mr. LACOCO. I am—I just asked him the question; that is all. He said it was all right, and he cut me in 25 percent.

Mr. GOLDSCHEIN. Again, what did you mean when you asked him if it was all right?

Mr. LACOCO. Like anything else.

Mr. GOLDSCHEIN. Did you mean "Is it legal?"

Mr. LACOCO. No, sir; I didn't.

Mr. GOLDSCHEIN. What did you mean by "all right"?

Mr. LACOCO. Just the question I asked him. I didn't mean no harm by it.

Mr. GOLDSCHEIN. No; of course, you didn't. All right.

You don't know what you mean by "all right."

What other operation were you connected with?

Mr. LACOCO. I was connected with a place, the Town Hall at Thirty-first and Holmes and Southwest Boulevard.

Mr. GOLDSCHEIN. That is State Line Tavern?

Mr. LACOCO. And on East Ninth Street.

Mr. GOLDSCHEIN. East Ninth?

Mr. LACOCO. Yes, sir.

Mr. GOLDSCHEIN. Is that Ninth and Woodland?

Mr. LACOCO. Yes, sir.

Mr. GOLDSCHEIN. How about Thirty-first and Woodland?

Mr. LACOCO. Yes, sir; I was there, I think, a few days.

Mr. GOLDSCHEIN. How about Town Recreation?

Mr. LACOCO. Yes, sir.

Mr. GOLDSCHEIN. Who was in Town Recreation with you?

Mr. LACOCO. Earl Kennedy, and I believe Charles Gargotta.

Mr. GOLDSCHEIN. Kennedy and Gargotta?

Mr. LACOCO. Yes, sir.

Mr. GOLDSCHEIN. Who else was in it?

Mr. LACOCO. That is all.

Mr. GOLDSCHEIN. Is that all?

Mr. LACOCO. Yes, sir; that is all.

Mr. GOLDSCHEIN. Just three people connected with it?

Mr. LACOCO. No. On my side of it. Of course, there were others on the other side of it.

Mr. GOLDSCHEIN. How many sides were there?

Mr. LACOCO. Just two sides.

Mr. GOLDSCHEIN. Two sides?

Mr. LACOCO. Yes.

Mr. GOLDSCHEIN. You had 50 percent?

Mr. LACOCO. Yes, sir. We had 50 percent.

Mr. GOLDSCHEIN. Who was the other side, Freedlander and his crowd?

Mr. LACOCO. Yes, sir.

Mr. GOLDSCHEIN. Earl Kennedy?

Mr. LACOCO. Earl Kennedy was on my side.

Mr. GOLDSCHEIN. Freedlander was on the other side?

Mr. LACOCO. Yes, sir.

Mr. GOLDSCHEIN. Now, tell us who was in the Standard News Service?

Mr. LACOCO. That is the wire service?

Mr. GOLDSCHEIN. Yes.

Mr. LACOCO. It was myself, Osadchey, and Klein.

Mr. GOLDSCHEIN. And Gargotta?

Mr. LACOCO. And Gargotta.

Mr. GOLDSCHEIN. How much interest did you have?

Mr. LACOCO. Twenty-five percent.

Mr. GOLDSCHEIN. How much money did you put up?

Mr. LACOCO. I don't remember how much it was, but Osadchey was taking care of it.

Mr. GOLDSCHEIN. He didn't take care of your money, did he?

The CHAIRMAN. Osadchey, for the record, is the same fellow as Eddie Spitz?

Mr. GOLDSCHEIN. By "Osadchey," you mean Eddie Spitz?

Mr. LACOCO. Yes, sir.

Mr. GOLDSCHEIN. Did Eddie put up the money for you?

Mr. LACOCO. No.

Mr. GOLDSCHEIN. How much money did you put up?

Mr. LACOCO. I don't remember exactly what it was. It was around \$1,250, or something like that.

Senator TOBEY. \$12.50?

Mr. LACOCO. No; \$1,250, sir.

Mr. GOLDSCHEIN. Who did you give the \$1,250 to?

Mr. LACOCO. Spitz. If that was the amount. I don't know exactly what the amount was.

Mr. GOLDSCHEIN. Did you give it to him by check?

Mr. LACOCO. No, sir; I gave cash.

Mr. GOLDSCHEIN. You gave it to him in cash?

Mr. LACOCO. Yes, sir.

Mr. GOLDSCHEIN. Where did the cash come from?

Mr. LACOCO. My home. I had it in my pocket. I had some.

Mr. GOLDSCHEIN. You had some in your pocket?

Mr. LACOCO. Yes.

Mr. GOLDSCHEIN. Where did you keep it at home, in a safe?

Mr. LACOCO. A little box.

Mr. GOLDSCHEIN. What kind of a box is it you keep all that kind of money in?

Mr. LACOCO. Just a metal box.

Mr. GOLDSCHEIN. How much did you draw out of the Standard News Service?

Mr. LACOCO. I don't remember. Mr. Goldschein, unless you look up the records. I know a couple of times I got a couple of checks, \$1,500 each; and one time in 1947, Mr. Klein wanted to borrow some money from me, and I loaned him the money. So he paid me back, I think it was the latter part of 1949, the latter part of 1948 or 1949.

Mr. GOLDSCHEIN. You are sure he paid you back?

Mr. LACOCO. Yes, sir.

Mr. GOLDSCHEIN. How much did he pay you back?

Mr. LACOCO. It was \$4,100.

Mr. GOLDSCHEIN. Did he pay it to you in a lump sum?

Mr. LACOCO. Yes.

Mr. GOLDSCHEIN. Where were you when he gave you the \$4,100?

Mr. LACOCO. I don't remember where I was.

Mr. GOLDSCHEIN. Of course you do. When a man gives you \$4,100, you don't get it every day. Where were you?

Mr. LACOCO. I don't know where I was. I was in Kansas City.

Mr. GOLDSCHEIN. Were you in his home?

Mr. LACOCO. No, sir.

Mr. GOLDSCHEIN. Were you up at the Standard News Service office?

Mr. LACOCO. No, sir; I don't know what the place looked like.

Mr. GOLDSCHEIN. You never have been up there?

Mr. LACOCO. No, sir.

Mr. GOLDSCHEIN. You don't know the first thing in the world about it?

Mr. LACOCO. I don't, sir.

Mr. GOLDSCHEIN. You never did any work in connection with it?

Mr. LACOCO. I didn't have to.

Mr. GOLDSCHEIN. Why didn't you? Didn't you have to get customers?

Mr. LACOCO. At first, he thought maybe I could give him some help, but the place runs itself.

Mr. GOLDSCHEIN. It runs itself?

Mr. LACOCO. I mean, whoever wants service could get it from the office.

Mr. GOLDSCHEIN. Of course, he knew that before he talked to you, didn't he?

Mr. LACOCO. I don't know.

Mr. GOLDSCHEIN. Of course he did. Partnoy has been operating it for years.

Mr. LACOCO. I could have given him some help, I guess. I have a lot of friends.

Mr. GOLDSCHEIN. You have a lot of friends among the bookmakers in Kansas City?

Mr. LACOCO. Some of the friends that I know.

Mr. GOLDSCHEIN. They are the only ones who use the news service, bookmakers?

Mr. LACOCO. Sports events, football, baseball.

Mr. GOLDSCHEIN. How about the horse races? They are the only ones that take the wire service, aren't they?

Mr. LACOCO. Well, I don't know.

Mr. GOLDSCHEIN. What?

Mr. LACOCO. I don't know.

Mr. GOLDSCHEIN. You don't know anything about it? You just got a free ride, didn't you?

Mr. LACOCO. No, sir. Just like, say, for instance, if a place was going to open up, we will ask different fellows what percentage they want. Some fellows say, "I don't think it is any good," and some fellows say, "I will take a little percentage of it." So whoever likes it, all right. Like that place out on Thirty-first and Woodland. We asked a lot of fellows, and a lot of them said, "It don't look like it is any good," and it wasn't no good.

Mr. GOLDSCHEIN. It wasn't any good?

Mr. LACOCO. No, sir.

Mr. GOLDSCHEIN. It wound up that State Line wasn't any good, either?

Mr. LACOCO. Some places are good and some of them are not so good.

Mr. GOLDSCHEIN. Can't you remember where you were when Klein gave you that \$4,100?

Mr. LACOCO. No, sir, Mr. Goldschein.

Mr. GOLDSCHEIN. You haven't the slightest idea?

Mr. LACOCO. No, sir.

Mr. GOLDSCHEIN. It was less than 6 months ago that he gave you the money. You said the latter part of 1949.

Mr. LACOCO. The latter part of 1948 or 1949, I don't remember.

Mr. GOLDSCHEIN. You don't even know what year it was he gave you the money?

Mr. LACOCO. It could have been in the latter part of 1948 or 1949. I think it was in 1949.

Mr. GOLDSCHEIN. Did he give you the money by check?

Mr. LACOCO. No, sir. He gave cash to me.

Mr. GOLDSCHEIN. He gave it to you in cash?

Mr. LACOCO. Yes, sir.

Mr. GOLDSCHEIN. Were you in a gambling house when he gave it to you?

Mr. LACOCO. I don't remember.

Mr. GOLDSCHEIN. You are sure he gave it to you?

Mr. LACOCO. Yes, sir.

Mr. GOLDSCHEIN. How are you sure about that?

Mr. LACOCO. Because I know he gave it to me, because he owed me the money, and he paid me. He doesn't owe me any more.

Mr. GOLDSCHEIN. You don't know where it was?

Mr. LACOCO. No, sir.

Mr. GOLDSCHEIN. If he says he gave it to you in two payments, he is all wrong about that? He gave you \$4,100 at one time, didn't he?

Mr. LACOCO. He gave me the money. I don't know how he gave it to me, but he gave it.

Mr. GOLDSCHEIN. Did you have your eyes open?

Mr. LACOCO. Yes, sir.

Mr. GOLDSCHEIN. You are sure about that?

Mr. LACOCO. Yes.

Mr. GOLDSCHEIN. Did you count the \$4,100?

Mr. LACOCO. He paid me. I don't remember how he paid it to me.

Mr. GOLDSCHEIN. You don't know how? You don't know whether he did pay it to you in two payments?

Mr. LACOCO. Yes; he paid me, Mr. Goldschein.

Mr. GOLDSCHEIN. In one payment or two?

Mr. LACOCO. I don't remember how it was.

Mr. GOLDSCHEIN. You just told us it was one payment. Why do you say you don't remember now?

Mr. LACOCO. He doesn't owe me any more.

Mr. GOLDSCHEIN. That isn't what I asked you.

Mr. LACOCO. No; but look, Mr. Goldschein, I am trying to answer your questions the best I know how.

Mr. GOLDSCHEIN. I am beginning to doubt that. I don't think you are.

Mr. LACOCO. I am.

Mr. GOLDSCHEIN. You just told us he gave you the \$4,100. Did he give you the \$4,100 at one time?

Mr. LACOCO. It could have been one time. It could have been two times. I don't remember.

Mr. GOLDSCHEIN. You expect me to believe that?

Mr. LACOCO. Yes, sir.

Mr. GOLDSCHEIN. \$4,100, and he doesn't know whether he gave it to him one or two times.

Mr. HALLEY. A statement can be so absurd that on its face it is perjury, and anybody reading the record would say it is impossible, and therefore perjury. Are you aware of that?

Mr. LACOCO. Yes, sir. I am doing the best I know how. I am just telling you the truth about it.

Mr. HALLEY. Try to keep the truth along lines that sound at least reasonable enough that somebody can believe it.

Mr. LACOCO. Yes, sir.

Mr. HALLEY. If what you call the truth is so ridiculous that nobody can believe it, it may well be perjurious on its face without any more proof.

I am sorry for the interruption. Will you go ahead, Mr. Goldschein?

Mr. GOLDSCHEIN. Tell us about the last place you were tied up with in the gambling operation, State Line. Who was in that with you?

Mr. LACOCO. Spitz was in there, and Gargotta, Kennedy. I don't remember anybody else.

Mr. GOLDSCHEIN. Goulding was in it, wasn't he?

Mr. LACOCO. Goulding: yes, sir.

Mr. WHITE. Was Binaggio in that?

Mr. LACOCO. I don't know whether he was in at that time, or not.

Mr. GOLDSCHEIN. What time?

Mr. LACOCO. This last time.

Mr. GOLDSCHEIN. What do you mean, you don't know?

Mr. LACOCO. If I had my slips—well, I have been in different places, Mr. Goldschein, with different people.

Mr. GOLDSCHEIN. I am talking about the last one you were in.

Mr. LACOCO. That is what I am talking about. On Ninth Street I was with a different company there. I don't remember all these fellows who were in different places.

Mr. GOLDSCHEIN. Do you want me to refresh your recollection on Ninth and Woodland?

Mr. LACOCO. Yes, sir.

Mr. GOLDSCHEIN. Nigro was operating that, wasn't he?

Mr. LACOCO. Yes, sir.

Mr. GOLDSCHEIN. And you and Gargotta were in that, weren't you?

Mr. LACOCO. I don't know whether Gargotta was in there, or not.

Mr. GOLDSCHEIN. You don't?

Mr. LACOCO. No, sir.

Mr. GOLDSCHEIN. Your memory is getting sort of vague. Have you always had a memory that vague?

Mr. LACOCO. I don't know. If the books show for it, Mr. Goldschein, the record will speak for itself.

Mr. GOLDSCHEIN. Where was Binaggio on the night he was murdered, prior to that time? Prior to the time he was murdered, wasn't he out at the Last Chance, Goulding's place?

Mr. LACOCO. He wasn't there.

Mr. GOLDSCHEIN. Didn't you see him that night?

Mr. LACOCO. No, sir.

Mr. GOLDSCHEIN. You didn't see him that night?

Mr. LACOCO. No, sir.

Mr. GOLDSCHEIN. Did you ever see him there?

Mr. LACOCO. I had seen him there; yes, sir.

Mr. GOLDSCHEIN. What was he doing there?

Mr. LACOCO. I don't know.

Mr. GOLDSCHEIN. Did he have an interest in it?

Mr. LACOCO. He might have and he might not; I don't know.

Mr. GOLDSCHEIN. You don't know who your partners were there?

Mr. LACOCO. No, sir; not there.

Mr. GOLDSCHEIN. Why didn't you know who was there?

Mr. LACOCO. Because it just slipped my mind.

Mr. GOLDSCHEIN. Who did you make the deal with on the Last Chance?

Mr. LACOCO. I think Osadchey took care of mine.

Mr. GOLDSCHEIN. Osadchey took care of yours?

Mr. LACOCO. Yes, sir.

Mr. GOLDSCHEIN. Did you discuss it with him before you made the deal with him?

Mr. LACOCO. No. He asked me if I liked it, maybe a little percentage, 15 or 20, for how many would be on our side, so I said, "Well, I will take a chance on it."

Mr. GOLDSCHEIN. How much did you give him?

Mr. LACOCO. Whatever the bank roll was.

Mr. GOLDSCHEIN. How much did you give him?

Mr. LACOCO. I don't remember.

Mr. GOLDSCHEIN. That is within the past 4 months; isn't it?

Mr. LACOCO. I don't remember, Mr. Goldschein.

Mr. GOLDSCHEIN. You mean you don't know how much money you gave him 4 months ago?

Mr. LACOCO. No, sir; I don't.

Mr. GOLDSCHEIN. How much money did you get from him?

Mr. LACOCO. I don't know. It is on the records.

Mr. GOLDSCHEIN. You don't remember how much money you got from him?

Mr. LACOCO. No, sir; I don't.

Mr. GOLDSCHEIN. You got the money after Binaggio was murdered; didn't you?

Mr. LACOCO. Whatever the amount was; yes.

Mr. GOLDSCHEIN. The place was closed the date Binaggio was murdered?

Mr. LACOCO. I guess it was.

Mr. GOLDSCHEIN. That was the last time it was in operation. How long before that were you in the Last Chance?

Mr. LACOCO. Three or 4 days.

Mr. GOLDSCHEIN. Three or 4 days before?

Mr. LACOCO. Three or 4 days, or 5.

Mr. GOLDSCHEIN. That was April 6; wasn't it?

Mr. LACOCO. No. I don't remember the dates, because I was on Thirty-first and Woodland. We had that place in operation, but we didn't do no good.

Mr. GOLDSCHEIN. I want to know about the Last Chance. Do you remember the date that Binaggio was murdered?

Mr. LACOCO. No, sir; I don't remember it.

Mr. GOLDSCHEIN. About April 6?

Mr. LACOCO. I guess it was; I don't remember.

Mr. GOLDSCHEIN. About that time, anyway.

Were you near the Last Chance after that, after he was murdered?

Mr. LACOCO. I don't believe I was.

Mr. GOLDSCHEIN. Did you get any money from Osadchey?

Mr. LACOCO. Yes.

Mr. GOLDSCHEIN. Where were you when he gave you the money?

Mr. LACOCO. I believe it was on Twelfth Street, in a garage there.

Mr. GOLDSCHEIN. At his garage?

Mr. LACOCO. I believe that is where it was. He handed me some money.

Mr. GOLDSCHEIN. You went down there to see him?

Mr. LACOCO. Yes.

Mr. GOLDSCHEIN. About how long after Binaggio was murdered?

Mr. LACOCO. I don't know. I don't remember how long.

Mr. GOLDSCHEIN. Approximately, 3 or 4 days, a week?

Mr. LACOCO. It could have been; yes.

Mr. GOLDSCHEIN. How much money did he give you?

Mr. LACOCO. I don't remember.

Mr. GOLDSCHEIN. Do you remember how much profit there was in the deal?

Mr. LACOCO. No, sir. It is on record.

Mr. GOLDSCHEIN. I didn't ask you about the record.

Mr. LACOCO. I mean, Mr. Goldschein—

Mr. GOLDSCHEIN. I want to know what you know. You just answer my questions. Do you know how much money there was in the deal?

Mr. LACOCO. No, sir; I don't.

Mr. GOLDSCHEIN. Who kept the books on it?

Mr. LACOCO. I don't know whether Earl Kennedy kept the books down there or this Goulding kept the books. I don't know who kept the books, only Osadchey would take care of my end of it.

Mr. GOLDSCHEIN. You were called in for questioning by the police on a number of occasions, weren't you?

Mr. LACOCO. No, sir; just one occasion.

Mr. GOLDSCHEIN. One occasion?

Mr. LACOCO. Yes.

Mr. GOLDSCHEIN. You mean one occasion this year?

Mr. LACOCO. Yes.

Mr. GOLDSCHEIN. Is that the only time you ever were brought in for questioning by the police?

Mr. LACOCO. I don't remember other questioning. Not very many, sir.

Mr. GOLDSCHEIN. In 1947, I am trying to think of the name of the gambler, in 1947 there was a gambler murdered here in Kansas City, and you were with him on the night before—

Senator TOBEY. Ferris Anthon?

Mr. GOLDSCHEIN. Do you remember Ferris Anthon, a gambler here in Kansas City?

Mr. LACOCO. No, sir.

Mr. GOLDSCHEIN. Wolf Ryman. That is 1949. Do you remember a gambler that was murdered here in 1947?

Mr. LACOCO. No.

MR. GOLDSCHIEIN. You don't remember it?

MR. LACOCO. No.

MR. GOLDSCHEIN. Do you remember the last time you were brought down to police station for questioning about a gambler who was murdered here?

THE CHAIRMAN. Answer up, Mr. Lacoco.

MR. LACOCO. I don't remember, sir.

MR. GOLDSCHEIN. Is your being brought into the police station for questioning an ordinary proposition? Do you do it so often you can't remember?

MR. LACOCO. I don't remember what you are talking about, Mr. Goldschein. Really I don't remember it.

SENATOR TOBEY. You knew Charles Binaggio pretty well, didn't you?

MR. LACOCO. Yes, sir.

MR. GOLDSCHEIN. You say you don't remember how much money you got from Spitz?

MR. LACOCO. No, sir; unless I got the records.

MR. GOLDSCHEIN. Do you remember how much money you gave Spitz?

MR. LACOCO. Whatever my percentage was.

MR. GOLDSCHEIN. Well, you gave him money and then determined your percentage, didn't you?

MR. LACOCO. No; whenever we needed a bank roll we all put up according to percentage.

MR. GOLDSCHEIN. What percentage did you have?

MR. LACOCO. Sometimes we would have a bank roll for \$10,000. Maybe we would have to raise it up whatever my percentage was. There were four or five of us, whatever it was. I might have to put up 15 or 20 percent.

MR. GOLDSCHEIN. The Last Chance had a \$10,000 bank roll, did it not?

MR. LACOCO. I don't remember.

MR. GOLDSCHEIN. Didn't you tell the grand jury it had a \$10,000 bank roll?

MR. LACOCO. It could have been \$10,000 or \$20,000.

MR. GOLDSCHEIN. \$20,000 is twice as much as \$10,000, don't you know?

THE CHAIRMAN. Mr. Lacoco, your memory about these matters ought to be better than it is. These are large sums of money that you are dealing with, that you put up and that you got back. You are a man of intelligence. Now let's get on and see if we can't get these answers a little clearer.

MR. LACOCO. I don't keep books. I don't know how to read and write. Mr. Osadchey, whenever a proposition came up, he tells me about it and I get so much percentage. I gave him my money. I trust him.

THE CHAIRMAN. You were born in this country?

MR. LACOCO. Yes, sir.

THE CHAIRMAN. Why do you not know how to read and write?

MR. LACOCO. I didn't have the opportunity to.

THE CHAIRMAN. All right, what else do you want to ask him?

MR. GOLDSCHEIN. Do you remember about Fred Reneger?

MR. LACOCO. No, sir; I don't remember him.

MR. GOLDSCHEIN. Never heard the name?

Mr. LACOCO. Well, I have heard of him, but I have never met the man.

Mr. GOLDSCHEIN. Sir?

Mr. LACOCO. I don't know him.

Mr. GOLDSCHEIN. He is dead. Of course you don't know him. Did you know him back then?

Mr. LACOCO. No; I didn't know him before, sir.

Mr. GOLDSCHEIN. You knew who he was, didn't you?

Mr. LACOCO. No, sir; I didn't know much about him, only after the papers.

Mr. GOLDSCHEIN. Didn't you know that Reneger was operating a crap game down at the Last Chance gambling place?

Mr. LACOCO. No, sir.

Mr. GOLDSCHEIN. You never knew that?

Mr. LACOCO. No, sir.

Mr. GOLDSCHEIN. You never knew that?

Mr. LACOCO. Well, I wasn't down in that part of town. I might have been across the river.

Mr. GOLDSCHEIN. You were in the Green Hills, were you not?

Mr. LACOCO. Yes, sir.

Mr. GOLDSCHEIN. Who were you in the Green Hills with?

Mr. LACOCO. Fred Wedow, and Klein, myself, Charlie Binaggio, and Charlie Gargotta.

Mr. GOLDSCHEIN. Was Balestrere in that?

Mr. LACOCO. No, Mr. Goldschein; not as I know of.

Mr. GOLDSCHEIN. How long have you known Balestrere?

Mr. LACOCO. I have known him for a long time.

Mr. GOLDSCHEIN. What does that mean?

Mr. LACOCO. Ever since—I was born and raised in Kansas City and when he was a kid he used to be around the north side.

Mr. GOLDSCHEIN. You say you don't know that Balestrere had an interest in that?

Mr. LACOCO. No, sir.

Mr. GOLDSCHEIN. You knew Charlie Gargotta and Binaggio had one interest together?

Mr. LACOCO. Yes.

Mr. GOLDSCHEIN. With Balestrere?

Mr. LACOCO. I don't know about Balestrere.

Mr. GOLDSCHEIN. Did you ever talk to Balestrere about it?

Mr. LACOCO. No, sir.

Mr. GOLDSCHEIN. Did you ever talk to Gargotta about it?

Mr. LACOCO. No, sir. Whatever percentage I had in the place was all I knew.

Mr. GOLDSCHEIN. But you don't know that Balestrere had an interest in it?

Mr. LACOCO. No, sir.

Mr. GOLDSCHEIN. Did you ever have an interest with Balestrere in a gambling operation?

Mr. LACOCO. Not as I know of.

Mr. WHITTE. Can I ask one question at this point, Max?

If you had a certain percentage, how would you know you were getting a fair return on your investment or services unless you saw the list of the partners and the distribution of assets or distribution of profits?

Mr. LACOCO. I trust my partners. Whatever percentage—

Mr. WHITE. In every operation that you were in you would just take somebody else's word for it?

Mr. LACOCO. Yes, sir; because I wouldn't know anything about books.

Mr. WHITE. Who cut up the profits in Green Hills, for example. Who said, "Tano, here is \$5,000. This is your end." Who said that?

Mr. LACOCO. I don't know anybody said that.

Mr. WHITE. Could you have said that? If you had the cash, could you have told Binaggio that was his end?

Mr. LACOCO. No, sir.

Mr. WHITE. Who was the brain?

Mr. LACOCO. Fred Wedow kept the books or Klein kept books. So whenever there was a cut up they gave me my end, and I never asked no questions.

Mr. WHITE. You didn't ask for an accounting?

Mr. LACOCO. No, sir; it wouldn't do me any good.

Mr. WHITE. You could count the money and figure percentage.

Mr. LACOCO. I just had to trust my partners.

Mr. WHITE. Were there any books kept on the enterprise?

Mr. LACOCO. Yes.

Mr. WHITE. Who kept them?

Mr. LACOCO. I think Morris Klein and Fred Wedow kept the books. The CHAIRMAN. Any questions. Senator Tobey?

Senator TOBEY. You were close to both Binaggio and Gargotta?

Mr. LACOCO. Yes, sir.

Senator TOBEY. Did their deaths surprise you?

Mr. LACOCO. Yes, sir.

Senator TOBEY. They were murdered; were they not?

Mr. LACOCO. Yes, sir.

Senator TOBEY. Do you have the feeling you may be the next one?

Mr. LACOCO. I don't know, sir.

Senator TOBEY. Do you not have the fear in your heart that you might be?

Mr. LACOCO. No, sir.

Senator TOBEY. Why not? You played with them, the same kind of game.

Mr. LACOCO. Yes, sir.

Senator TOBEY. The same violent forces that put them out might want to put you out, too.

Mr. LACOCO. I don't know.

Senator TOBEY. Why would they not? Do you not follow that at all?

Mr. LACOCO. No, sir.

Senator TOBEY. Who killed them, in your judgment?

Mr. LACOCO. I don't know, sir.

Senator TOBEY. Do you have some idea?

Mr. LACOCO. No, sir.

Senator TOBEY. That is all I have.

The CHAIRMAN. Do you know anything about the ballot theft?

Mr. LACOCO. No, sir; I don't, sir.

Senator TOBEY. What is an "enforcer"? They have you listed as an enforcer. What is an enforcer?

Mr. LACOCO. Somebody trying to enforce somebody to do something.

Senator TOBEY. I do not know what it means. Can you give us a description of an enforcer?

Mr. HALLEY. He is a man who carries a gun and shoots people if they don't do what a man says they should do.

Senator TOBEY. Did you ever kill anybody?

Mr. LACOCO. No, sir.

Senator TOBEY. Do you carry a gun?

Mr. LACOCO. No, sir.

Senator TOBEY. Do you have a license to?

Mr. LACOCO. No, sir.

Senator TOBEY. Did you ever carry one?

Mr. LACOCO. No, sir.

Senator TOBEY. Did you ever show a gun and threaten a man with it?

Mr. LACOCO. No, sir. You can't give me a man in Kansas City who could ever say that I threatened him or said anything wrong to him or anywhere else.

Senator TOBEY. Did Gargotta kill Ferris Anthone?

Mr. LACOCO. I don't know.

Senator TOBEY. Did you hear that he did?

Mr. LACOCO. No, sir.

Senator TOBEY. Gargotta was a killer, wasn't he?

Mr. LACOCO. Not that I know of.

Mr. GOLDSCHIEIN. I think we have a good case on this.

Mr. WHITE. May I ask a question? At any time during the past 2 months have you ever attended a meeting in the back room of the Roma Bakery?

Mr. LACOCO. No, sir.

Mr. WHITE. Have you been in the Roma Bakery?

Mr. LACOCO. Just to buy maybe some bread. The last 2 months. I don't think I have been in it for 2 months.

The CHAIRMAN. What is the Mafia?

Mr. LACOCO. I don't know what the Mafia is.

The CHAIRMAN. Unione Siciliana?

Mr. LACOCO. Sir?

The CHAIRMAN. Were your people Sicilians?

Mr. LACOCO. Yes; my people married here. My father and mother married here.

The CHAIRMAN. They both came from Sicily?

Mr. LACOCO. Yes, sir.

The CHAIRMAN. All right, that is all.

Mr. GOLDSCHIEIN. That is all, come around.

(Witness excused.)

Mr. HALLEY. Call Mr. Coffey.

The CHAIRMAN. Mr. Coffey, will you hold up your hand? Do you solemnly swear that the testimony you will give this committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. COFFEY. I do.

**TESTIMONY OF HOLT COFFEY, PLATTE CITY, MO.**

Mr. GOLDSCHEIN. What is your full name, please, sir?

Mr. COFFEY. Holt Coffey.

Mr. GOLDSCHEIN. Where do you live, Mr. Coffey?

Mr. COFFEY. Platte City, Mo.

Mr. GOLDSCHEIN. What business are you in?

Mr. COFFEY. I haven't anything but a farm.

Mr. GOLDSCHEIN. A farm. You were sheriff there for a number of years, were you not?

Mr. COFFEY. Eight years.

Mr. GOLDSCHEIN. Do you remember where the Green Hills Gambling Casino was located?

Mr. COFFEY. Yes, sir.

Mr. GOLDSCHEIN. Where was it located?

Mr. COFFEY. In the south part of Platte County.

Mr. GOLDSCHEIN. The south side of Platte County?

Mr. COFFEY. The extreme south of Platte County.

Mr. GOLDSCHEIN. What road was it on?

Mr. COFFEY. That is No. 45 Highway.

Mr. GOLDSCHEIN. How long was it operating as a gambling house, Sheriff?

Mr. COFFEY. I don't know. It was open from 1931—1929 to '32, part time. I was elected sheriff in 1933 to 1937, and it was closed during that time.

Mr. GOLDSCHEIN. It was operating in 1945 and '46, wasn't it?

Mr. COFFEY. Yes, sir.

Mr. GOLDSCHEIN. You were sheriff during that period?

Mr. COFFEY. Yes.

Mr. GOLDSCHEIN. Do you know Mr. Wedow?

Mr. COFFEY. Yes, sir.

Mr. GOLDSCHEIN. What is his first name?

Mr. COFFEY. Fred.

Mr. GOLDSCHEIN. Fred Wedow. How long have you known him?

Mr. COFFEY. Since about '31. My brother lived there on the Green Hills place.

Mr. GOLDSCHEIN. What was his business?

Mr. COFFEY. Fred's?

Mr. GOLDSCHEIN. Yes.

Mr. COFFEY. I don't know.

Mr. GOLDSCHEIN. He was operating Green Hills Gambling Casino, wasn't he?

Mr. COFFEY. He is the owner of it; yes.

Mr. GOLDSCHEIN. Yes. I believe you told us that he gave you \$2,500 at one time, didn't you?

Mr. COFFEY. No, I didn't.

Mr. GOLDSCHEIN. How much was it?

Mr. COFFEY. \$1,000, and \$375, and then \$1,000, or \$2,000.

The CHAIRMAN. That is about \$2,375?

Mr. COFFEY. I have the records, the income tax.

Mr. GOLDSCHEIN. When did he give you the \$1,000?

Mr. COFFEY. The first time I seen him, he said, "Here is some money to use a little on your campaign."

Mr. GOLDSCHIEIN. That was in what year?

Mr. COFFEY. That was in 1942.

Mr. GOLDSCHIEIN. When did he give you the other \$1,000?

Mr. COFFEY. In 1944.

Mr. GOLDSCHIEIN. When did he give you the \$375?

Mr. COFFEY. 1943.

Mr. GOLDSCHIEIN. Is that all the money you got from him?

Mr. COFFEY. Yes, sir.

Mr. GOLDSCHIEIN. Did you get any money from anybody else?

Mr. COFFEY. No, sir.

Mr. GOLDSCHIEIN. He is the only one you got money from?

Mr. COFFEY. Yes, sir.

The CHAIRMAN. He is the only one connected with Green Hills, that is what you meant to say?

Mr. COFFEY. Yes.

Senator TOBEY. What did you give him in return?

Mr. COFFEY. I don't know as I gave him anything.

Senator TOBEY. What was the consideration, what did he give you the money for?

Mr. COFFEY. He said, "Here, you have been out quite a bit of money for election—"

Senator TOBEY. Did he say anything about prosecuting him or freeing him of prosecution?

Mr. COFFEY. No.

Senator TOBEY. You knew what it was for, did you not? You never prosecuted him, did you?

Mr. COFFEY. Yes, I arrested him, five or six of them down there.

Senator TOBEY. The same men who gave you the money?

Mr. COFFEY. He didn't happen to be there.

Senator TOBEY. I see. But you did not arrest him?

Mr. COFFEY. I raided the place several times.

Senator TOBEY. You knew who was there when you went in, did you not?

Mr. COFFEY. No, I didn't.

Senator TOBEY. You knew he was not there?

Mr. COFFEY. Not at that time.

Senator TOBEY. You never arrested him?

Mr. COFFEY. No, I didn't.

Senator TOBEY. You never arrested him?

Mr. COFFEY. I would if he had been there.

Senator TOBEY. But he was not there?

Mr. COFFEY. No.

Senator TOBEY. This was hush money, was it not?

Mr. COFFEY. No.

Senator TOBEY. Protection money, was it not? You sold yourself to this man. He was immune as far as you were concerned, was he not?

Mr. COFFEY. No, I wouldn't say that.

Senator TOBEY. What would you say? Why do you not come through clean and say, "Yes, before God I did sin in this thing. I was a rotter. I did a dirty trick."

Mr. COFFEY. I did do a dirty trick.

Senator TOBEY. Why did you not say so?

Mr. COFFEY. I gave all of it back.

Senator TOBEY. Of course you would. We are all human. Every man is tempted. Some of us fall and some do not. Let us come through clean. Let us purge this Nation of ours of all this rotten stuff. You have been a part of it. Be sorry for it and ask God's forgiveness, and tell us the truth. Is that not right?

That is all I have got to say.

The CHAIRMAN. Have you run for sheriff since then?

Mr. COFFEY. No, I couldn't succeed myself, you see, at that time. I was the only sheriff ever reelected.

The CHAIRMAN. What party did you run on?

Mr. COFFEY. Democrat. I got the highest vote both times.

Senator TOBEY. They did not know you took \$2,375, or they would not have reelected you.

Mr. COFFEY. I don't know. People want me to run now.

Senator TOBEY. You did not tell them that, did you?

Mr. COFFEY. No.

Senator TOBEY. Knowing it now, they would not reelect you, would they?

Mr. COFFEY. I wouldn't take any \$2,375, either, I guarantee you that.

The CHAIRMAN. You have learned your lesson?

Mr. COFFEY. You bet you.

The CHAIRMAN. Do you have any other gambling places that you took money from the operators?

Mr. COFFEY. No. They play poker in every little town in Platte County, but I didn't realize there was a big place like that until they got into this last fall. I just supposed it was a small place. I didn't have any idea it was anything like that.

Mr. WHITE. You had been there, hadn't you, Sheriff?

Mr. COFFEY. Not when it was in operation.

Mr. WHITE. Hadn't you been around there in the late summer of 1945?

Mr. COFFEY. Late summer of 1945.

Mr. WHITE. You were sheriff at that time, weren't you? Were you sheriff in 1945?

Mr. COFFEY. No, not 1945.

Mr. WHITE. Had you stopped being sheriff then?

Mr. COFFEY. Yes. The term expired December 31 at midnight, 1944.

Mr. WHITE. You haven't been sheriff since then?

Mr. COFFEY. No.

The CHAIRMAN. What are all those records you brought in that suitcase?

Mr. COFFEY. I don't know.

The CHAIRMAN. Is it all about this \$2,300? Is that what it is about?

Mr. COFFEY. I think it is on there.

The CHAIRMAN. Are you a man of big income?

Mr. COFFEY. No, sir.

The CHAIRMAN. How much do you make a year?

Mr. COFFEY. I don't know. Not very much now.

Mr. WHITE. What is your net worth now, sheriff?

Mr. COFFEY. I have a house I gave \$2,300 for. I think it is worth \$12,000 now. I have a 190-acre farm that I paid about \$100 an acre for, and I have been offered \$150 an acre for it. I owe about \$5,000.

Mr. WHITE. Your actual equity, then, is how much, approximately?

Mr. COFFEY. One hundred and ninety acres at \$150 an acre.

Mr. WHITE. Any cash in the bank?

Mr. COFFEY. I think about \$1,800.

Mr. WHITE. Any other assets?

Mr. COFFEY. I have a second mortgage on a place up there for about \$7,000.

Mr. WHITE. What did you do before you were sheriff?

Mr. COFFEY. I ran a liquor store a little while, and I ran a farm prior to that.

Mr. WHITE. What was your net worth when you became sheriff?

Mr. COFFEY. \$10,000 or \$12,000.

The CHAIRMAN. All right, I think that is enough. Thank you, sheriff.

Mr. COFFEY. Thank you, gentlemen.

The CHAIRMAN. I hope you mean what you said a little while ago.

Mr. COFFEY. I really do. Don't think I don't.

The CHAIRMAN. How old are you?

Mr. COFFEY. I am 58 years old, diabetic, lost about 40 pounds last year.

The CHAIRMAN. You have lots of time.

Mr. COFFEY. That which is done can't be undone.

The CHAIRMAN. All right, sheriff, thank you.

(Witness excused.)

(Brief recess.)

The CHAIRMAN. Bring in Mr. Pendergast.

Mr. Pendergast, will you have this chair here?

Mr. Pendergast, do you solemnly swear the testimony you will give this committee will be the whole truth and nothing but the truth, so help you God?

Mr. PENDERGAST. Yes, sir; I do.

#### TESTIMONY OF JAMES M. PENDERGAST, ATTORNEY, KANSAS CITY, MO.

Mr. HALLEY. What is your full name, please?

Mr. PENDERGAST. James M. Pendergast.

The CHAIRMAN. Mr. Pendergast, just before you are questioned by Mr. Halley, we want you to give us information that will help us in our inquiry. You know what the inquiry is. We are anxious to get at all the facts, good and bad, feeling that is the best thing we can do in the public interest. Let us try to get at the thing as quickly as possible, and get at the meat in the coconut.

Go ahead.

Mr. HALLEY. What is your business?

Mr. PENDERGAST. Lawyer.

Mr. HALLEY. Do you practice law here in Kansas City?

Mr. PENDERGAST. Yes, sir.

Mr. HALLEY. Do you hold any public office?

Mr. PENDERGAST. No, sir.

Mr. HALLEY. Do you hold any political office?

Mr. PENDERGAST. I am on the Democratic State Committee.

Mr. HALLEY. Are you familiar with the events which transpired in Kansas City over a period of the last 2 or 3 years? You have lived here constantly?

Mr. PENDERGAST. Yes, sir. I was born here.

Mr. HALLEY. You were here when Charles Binaggio was murdered?

Mr. PENDERGAST. Yes.

Mr. HALLEY. You were here through the 1948 campaign for governor?

Mr. PENDERGAST. Yes.

Mr. HALLEY. Did you have any conversations with Binaggio during the 1948 campaign?

Mr. PENDERGAST. No, sir.

Mr. HALLEY. Did you speak to Binaggio at all during that 1948 campaign?

Mr. PENDERGAST. No, sir.

Mr. HALLEY. Did you see him at all?

Mr. PENDERGAST. On the street or somewhere.

Mr. HALLEY. Did you meet him at political rallies or anything like that?

Mr. PENDERGAST. No, sir.

Mr. HALLEY. Did you know whether Binaggio was conducting a vigorous campaign for the election of Forrest Smith as Governor?

Mr. PENDERGAST. I certainly do; yes, sir.

Mr. HALLEY. Do you know whether or not Binaggio was proclaiming that he wanted to open up the city of Kansas City as well as the city of St. Louis? Had you ever heard that?

Mr. PENDERGAST. I never heard him say it. That was the general knowledge around.

Mr. HALLEY. That was just general knowledge?

Mr. PENDERGAST. Yes, sir.

The CHAIRMAN. Was that stated in the papers? Was that a campaign issue in the 1948 campaign for Governor?

Mr. PENDERGAST. No; I don't believe it was at the time of the primary. You see, Mr. Halley, to go back a little ways, Mr. Binaggio and I were on different sides of the fence. I didn't support Smith for Governor.

Mr. HALLEY. In the primary?

Mr. PENDERGAST. No.

Mr. HALLEY. In the general election, did you?

Mr. PENDERGAST. Yes, sir.

Mr. HALLEY. Who was your candidate in the primary?

Mr. PENDERGAST. A man named Nee.

Mr. HALLEY. Will you spell it?

Mr. PENDERGAST. N-e-e.

Mr. HALLEY. You lost in the primary?

Mr. PENDERGAST. Yes, sir.

Mr. HALLEY. During the primary, was Binaggio vigorous in supporting Forrest Smith?

Mr. PENDERGAST. Yes, sir.

Mr. HALLEY. Was it generally understood—and if you feel it is unfair to answer questions about general understanding, say so, but naturally the committee is trying to get as much information as possi-

ble—was it generally understood that, if Forrest Smith was elected, Binaggio was expected to have his own way?

Mr. PENDERGAST. Yes, sir.

Mr. HALLEY. Particularly with reference to the enforcement of law in Kansas City?

Mr. PENDERGAST. Yes, sir.

Mr. HALLEY. And in St. Louis?

Mr. PENDERGAST. I don't know about that.

Mr. HALLEY. You don't know about St. Louis?

Mr. PENDERGAST. No.

Mr. HALLEY. Was Binaggio known to you to be a gambler?

Mr. PENDERGAST. No.

Mr. HALLEY. Did you know of general knowledge as to Binaggio's interest in gambling establishments?

Mr. PENDERGAST. Yes.

Mr. HALLEY. Was it generally known that Binaggio was associated with and was frequently seen with known criminals and gamblers? I have in mind people like Gargotta, Lacoco, Gizzo.

Mr. PENDERGAST. I never saw them at any political meeting. He was always with a fellow named Penna.

Mr. HALLEY. I am asking you now about general knowledge. Was Binaggio generally known to associate with those people, Gargotta, Lacoco, Spitz, Klein, Gizzo, Freedlander?

Mr. PENDERGAST. No; I couldn't answer that.

Mr. HALLEY. You just don't know?

Mr. PENDERGAST. No.

Mr. HALLEY. Binaggio first beat you in the primary and had Smith nominated; is that right? Smith won the primary?

Mr. PENDERGAST. I would rather put it that way. Smith won the primary.

Mr. HALLEY. All right. Smith won the election?

Mr. PENDERGAST. Yes, sir.

Mr. HALLEY. Then was it generally known in Kansas City that Binaggio was trying to move into—that Binaggio was trying to have his candidates named to the police commission and to the police force?

Mr. PENDERGAST. I would say he did—two of them.

Mr. HALLEY. Who were his two candidates?

Mr. PENDERGAST. Milligan and Farrell, Sheridan Farrell.

Mr. HALLEY. They were known, as far as you are concerned, to be Binaggio's men?

Mr. PENDERGAST. Well, no. I will say Farrell was. I won't say that as to Milligan, because I never knew any connection between the two.

Mr. HALLEY. But you did know that Binaggio supported Milligan's candidacy?

Mr. PENDERGAST. Yes; but it was also pretty well thought around here he was a personal appointment of Forrest Smith.

Mr. HALLEY. He was an old friend of Smith's?

Mr. PENDERGAST. They came from the same county.

Mr. HALLEY. The board of police commissioners consisted of five men; is that right? Four plus the mayor; is that right?

Mr. PENDERGAST. That is true.

Mr. HALLEY. Two were hold-overs; is that right?

Mr. PENDERGAST. Yes, sir.

Mr. HALLEY. Binaggio couldn't count on their support?

Mr. PENDERGAST. That is right.

Mr. HALLEY. But in order to control the police department he would have to have the support of one of them?

Mr. PENDERGAST. He would have to have three votes.

Mr. HALLEY. Was the mayor on Binaggio's side?

Mr. PENDERGAST. Oh, no.

Mr. HALLEY. He couldn't count on the mayor at all; is that right?

Mr. PENDERGAST. No. In fact, I don't believe the mayor ever went to a meeting.

Mr. HALLEY. He just stayed away?

Mr. PENDERGAST. I am not sure whether he has a vote on there. He is called an ex officio member because of being mayor of Kansas City.

Mr. HALLEY. In order to control the commission, Binaggio simply had to get control in some way, or the cooperation in some way, of Cohn or Chambers?

Mr. PENDERGAST. That is right; yes, sir.

Mr. HALLEY. In the meantime, he made many efforts to get the police board to change the chief of police, did he not?

Mr. PENDERGAST. Yes, sir.

Mr. HALLEY. To put his own man in?

Mr. PENDERGAST. Yes, sir.

Mr. HALLEY. Did you ever hear of this man Braun he tried to put in?

Mr. PENDERGAST. Yes, sir. He had been a captain in the police department many years ago.

Mr. HALLEY. What can you tell the committee about Braun?

Mr. PENDERGAST. I don't know a thing about him.

Mr. HALLEY. You understood that there was considerable trouble because Binaggio couldn't succeed in controlling the police force; is that right?

Mr. PENDERGAST. No; I think the trouble has been that he hadn't controlled the police force.

Mr. HALLEY. There was a considerable amount of consternation, shall we say, among the criminal element? Would that be accurate?

Mr. PENDERGAST. I would call it disappointment.

Mr. HALLEY. Do you think that had anything to do with the murder of Binaggio?

Mr. PENDERGAST. I haven't the slightest idea.

Mr. HALLEY. Have you any idea of what might or might not have led to the murder of Binaggio?

Mr. PENDERGAST. No, sir.

Mr. HALLEY. There were some ballots stolen in connection with vote fraud sometime before this murder of Binaggio.

The CHAIRMAN. About 3½ years ago.

Mr. HALLEY. Do you have any knowledge of the circumstances surrounding that theft of the ballots?

Mr. PENDERGAST. No, sir.

Mr. HALLEY. You had heard about it, of course?

Mr. PENDERGAST. Yes, sir.

Mr. HALLEY. Did you at that time hold any official position?

Mr. PENDERGAST. No, sir. I have never held any official position.

The CHAIRMAN. Let me see if I can get the picture, Mr. Pendergast.

After your uncle passed on, you more or less fell heir to some of the Pendergast organization, so-called?

Mr. PENDERGAST. That is true; yes, sir.

The CHAIRMAN. When was that?

Mr. PENDERGAST. It wasn't when he passed on. It was when he went to the penitentiary. That was in 1939.

The CHAIRMAN. Have you held that part of the organization together during these years?

Mr. PENDERGAST. Well, I tried. I didn't have much luck for several years.

The CHAIRMAN. Are you the so-called leader of the Pendergast group?

Mr. PENDERGAST. Yes, sir.

The CHAIRMAN. You have not held it together as well as your uncle did, I believe is the case?

Mr. PENDERGAST. That is true.

The CHAIRMAN. In other words, it has lost its influence considerably?

Mr. PENDERGAST. That is true; yes, sir.

The CHAIRMAN. In the campaign for Donnelly when he was elected—he was the Governor prior to Forrest Smith?

Mr. PENDERGAST. Yes, sir.

The CHAIRMAN. He was elected in 1946; was he not?

Mr. PENDERGAST. No; 1944.

The CHAIRMAN. 1944, that is right. You and your organization were for him?

Mr. PENDERGAST. Yes, sir.

The CHAIRMAN. And Binaggio was also for him?

Mr. PENDERGAST. No, sir.

The CHAIRMAN. He was not?

Mr. PENDERGAST. No, sir.

The CHAIRMAN. Who was he for?

Mr. PENDERGAST. Sermon.

The CHAIRMAN. So you and Binaggio have never been together in a political contest for Governor, anyway?

Mr. PENDERGAST. No, sir.

The CHAIRMAN. Usually on local matters, have you been on opposite sides?

Mr. PENDERGAST. I would say starting with 1944; and before that he wasn't in the picture, Senator.

The CHAIRMAN. He came into the picture in the 1944 election in a small way, and then he got stronger as time went on; is that true?

Mr. PENDERGAST. Yes, sir.

The CHAIRMAN. Is that the situation?

Mr. PENDERGAST. Yes.

The CHAIRMAN. Then were all these 30,000 or 35,000 votes he could deliver his strength, or was that a pulling together of other organizations and machines, smaller ones than his, such as the Shannon group and the other groups of that kind?

Mr. PENDERGAST. That is what I had in mind when this gentleman asked the question about Binaggio beating me. The only contest we have had was in the Forrest Smith and Dan Nee election. Of course, Donnelly beat Sermon, and a local man by the name of Shook; but then by 1948, Binaggio was really trying to build up. Of course, the magazines and newspaper articles all tell about Binaggio beating Pendergast. As I remember it, roughly, Forrest Smith got 27,000

votes and Dan Nee got 23,000 in Kansas City. Forrest Smith was supported by Binaggio, the Shannon faction of the Democratic Party, Mayor Sermon and his faction out at Independence, Henry McKissick, what we called the Fifteenth Street group. Smith was endorsed by the American Federation of Labor, by the CIO, and the old-age pensioners. Between all of them, they got 27,000 votes. And I was the only faction that supported Nee, and we got 23,000. That has nothing to do with your investigation.

The CHAIRMAN. It is a matter of interest.

Mr. PENDERGAST. He was in the group, and, of course, was the dominant member of it, as far as Shannon—

The CHAIRMAN. After the election, he was generally recognized as the leader of the Smith faction here in Kansas City?

Mr. PENDERGAST. Yes, sir.

The CHAIRMAN. You did not have any voice as far as the Governor was concerned, or did you have much voice?

Mr. PENDERGAST. I had none at all. A few people. I would say 80 percent of the people that I had working in the State offices appointed by Governor Donnelly were discharged by Governor Smith.

The CHAIRMAN. Did you try to make up with Governor Smith?

Mr. PENDERGAST. No, sir.

The CHAIRMAN. What is your opinion about him now?

Mr. PENDERGAST. Of Governor Smith?

The CHAIRMAN. Yes.

Let us not put this on the record.

(Discussion off the record.)

The CHAIRMAN. Mr. Pendergast, did you have some of these gamblers and racketeers, and what not, in your organization? Do you have some in your organization?

Mr. PENDERGAST. Today?

The CHAIRMAN. Yes.

Mr. PENDERGAST. Yes, sir; I suppose so, if you call Tim Moran a gambler. He is back with me.

The CHAIRMAN. Tim Moran?

Mr. PENDERGAST. Yes, sir.

The CHAIRMAN. I know, but I mean the Binaggio group, of Guzik, and Lacoco, Farrell, Spitz, and those fellows. Have they ever been with your organization?

Mr. PENDERGAST. No, sir. I have Judge Mazuzh, an Italian justice of the peace, here.

The CHAIRMAN. Does he have a criminal record?

Mr. PENDERGAST. Oh, no. Senator—

The CHAIRMAN. Do you try to keep these people out of your organization, or do you welcome their support, or what?

Mr. PENDERGAST. No, sir.

The CHAIRMAN. What did you start to tell me?

Mr. PENDERGAST. I started to tell you that in 1944 when Governor Donnelly was candidate, Binaggio came to my office and asked me if I would talk to Donnelly in view of getting the State open for gambling. No, he put it the other way: "Would you ask Donnelly his view?" I said, "No."

"What do you mean, 'No'?"

I said, "In the first place, I wouldn't ask him; and, if I did, he wouldn't do it."

That was early in the spring of that year. Then we had a big Democratic meeting in St. Joe. I believe Speaker Rayburn addressed the meeting. That is when I first knew that Binaggio was supporting Sermon. That was in 1944.

So I have never had them around me in my time at all.

The CHAIRMAN. All right, Senator Tobey.

Senator TOBEY. What was your position, Mr. Pendergast, in the Slaughter-Axtel contest?

Mr. PENDERGAST. I was for Axtel.

Senator TOBEY. And so was Binaggio, was he not?

Mr. PENDERGAST. I believe so; yes, sir.

Senator TOBEY. So you two were together and en rapport in that contest there?

Mr. PENDERGAST. Yes, sir.

Senator TOBEY. The stealing of those ballots, as was manifest to you men of affairs who knew what was going on, was very clear-cut evidence that somebody had a sense of guilt and wanted those ballots destroyed; is that not true?

Mr. PENDERGAST. Yes, sir.

Senator TOBEY. Have you any idea who it was?

Mr. PENDERGAST. No, sir.

Senator TOBEY. If Mr. Axtel was counted in as the winner, as he was, it would have been naturally in his interest to have those ballots destroyed if there had been any crooked business in the ballots.

Mr. PENDERGAST. Mr. Axtel's?

Senator TOBEY. If Mr. Axtel was the winner, as he was, and if, in connection with the election, there had been some scandals and frauds and dishonest practices in connection with the ballots cast for Axtel, it would have been manifestly to Mr. Axtel's advantage to have the ballots destroyed so they could not be used.

Mr. PENDERGAST. It would be to the advantage of the fellows guilty of doing the fraud.

Senator TOBEY. It would have been Mr. Axtel, would it not, because if there was fraud in the ballots that existed, and if they were brought into court and used as evidence, the election would have been voided if there had been fraud?

Mr. PENDERGAST. No, sir. We had a State grand jury about that time, and all the fraudulent votes they had would in no way have changed the election.

Senator TOBEY. But it would have been to Mr. Axtel's advantage to have had the ballots destroyed, would it not, if he had been crooked in the election?

Mr. PENDERGAST. If there had been enough crooked votes to change the result of it; yes, sir.

Senator TOBEY. I do not think so. I do not think there would have to be enough to change the result. The very fact that he used crooked methods would be enough to disbar him; would it not?

Mr. PENDERGAST. No.

Senator TOBEY. It ought to. If a man stoops to fraud and chicanery in the balloting in any election, should it not be judged wrong for him to hold office?

Mr. PENDERGAST. If Axtel himself?

Senator TOBEY. Yes; if he aided and abetted crooked practices in getting elected, it would bar him from office?

Mr. PENDERGAST. If he did, yes; if Axtel aided and abetted, certainly; yes, sir.

Senator TOBEY. Mr. Pendergast and Mr. Binaggio supported Mr. Axtel; did they not?

Mr. PENDERGAST. Yes, sir.

Senator TOBEY. Did you feel there was any crookedness in the ballots for Axtel?

Mr. PENDERGAST. No, sir.

Senator TOBEY. Why do you think they were destroyed?

Mr. PENDERGAST. I have no idea.

Senator TOBEY. We will not press it.

May I ask you a question, kindly, and you need not answer unless you want to, of course. I will not force you. Are you a man of means?

Mr. PENDERGAST. No, sir.

Senator TOBEY. How large a bank account, what is the largest bank account you ever had in your name?

Mr. PENDERGAST. I would say less than \$20,000.

Senator TOBEY. Less than \$20,000. You never had anything approximating \$100,000 in your name?

Mr. PENDERGAST. Bank account?

Senator TOBEY. Yes, sir; money in the bank.

Mr. PENDERGAST. No, sir.

Senator TOBEY. Did your wife ever have any such similar fund?

Mr. PENDERGAST. No, sir.

Senator TOBEY. Did the husband and wife, Pendergast and wife, in a joint account together, or in separate accounts, have anything approximating \$100,000?

Mr. PENDERGAST. No, sir.

Senator TOBEY. You are quite sure of that?

Mr. PENDERGAST. Why, certainly, I am sure of it.

Senator TOBEY. You ought to be.

Coming back to the murder of these two men, you are a man of the world, and you must have some understanding or some thought on that matter. What do you think was the reason they were bumped off?

Mr. PENDERGAST. I could only give you what you hear on the street, Senator.

Senator TOBEY. What does Pendergast's mind say?

Mr. PENDERGAST. I would say that he was probably mixed up in something and somebody was sore at him about it.

Senator TOBEY. Of course, I think that is elementary. What do you know about the man to put the finger on him?

Mr. PENDERGAST. I have no idea, Senator. I don't hardly know Binaggio much better than you do.

Senator TOBEY. That is all I have. I may have some more later on, the next time we come to Kansas City.

The CHAIRMAN. What type of law practice do you engage in?

Mr. PENDERGAST. All kinds. I have a partner.

The CHAIRMAN. What is the name of your firm?

Mr. PENDERGAST. Pendergast & Kohn.

The CHAIRMAN. You have some associates in the office?

Mr. PENDERGAST. A young fellow by the name of Ralph Tucker.

The CHAIRMAN. Do you have a large practice?

Mr. PENDERGAST. No, sir.

The CHAIRMAN. Are there any other facts that you know which ought to be brought to our attention, Mr. Pendergast?

Mr. PENDERGAST. No, sir.

Mr. HALLEY. Nothing else.

The CHAIRMAN. Mr. Goldschein?

Mr. GOLDSCHEIN. No questions.

The CHAIRMAN. Thank you very much, sir. We appreciate your coming.

Senator TOBEY. How do you operate with your influence, taking the mantle of your uncle as you have? How do you function and carry on, and how do you deliver the Pendergast machine's votes?

Mr. PENDERGAST. We have 20 wards here, Senator, and 7 townships. I have what are called a ward leader and a township leader in each one. Each ward leader has a precinct captain for every precinct.

Senator TOBEY. When they get down to the lower strata of the precincts, streets, and homes, how do they operate? Personal interviews, telephone calls?

Mr. PENDERGAST. Yes.

Senator TOBEY. Is any money used to get the vote out?

Mr. PENDERGAST. Yes, sir.

Senator TOBEY. Is any money used to get them to vote in the right way?

Mr. PENDERGAST. No, sir.

Senator TOBEY. Just to get the vote out, transportation, and so forth?

Mr. PENDERGAST. Yes, sir.

Senator TOBEY. Do they ever double cross you?

Mr. PENDERGAST. Yes, sir. In the Al Smith election they did.

Senator TOBEY. That is all. Thank you very much.

The CHAIRMAN. All right, sir.

(Witness excused.)

(Brief recess.)

The CHAIRMAN. Come around, Mr. Balestrere.

Do you solemnly swear the testimony you will give the committee will be the whole truth and nothing but the truth, so help you God?

Mr. BALESTRERE. I do.

#### TESTIMONY OF JAMES BALESTRERE, KANSAS CITY, MO.

Mr. HALLEY. What is your full name?

Mr. BALESTRERE. James Balestrere.

The CHAIRMAN. Our time is limited, and if you will speak up and tell the committee what you know in response to questions, we will get along a whole lot better.

Mr. HALLEY. What is your full name?

Mr. BALESTRERE. James Balestrere.

Mr. HALLEY. Where do you live?

Mr. BALESTRERE. 5421 Brooklyn, Kansas City.

Mr. HALLEY. What business are you in?

Mr. BALESTRERE. No business right now.

Mr. HALLEY. How do you live these days?

Mr. BALESTRERE. I live with my son.

Mr. HALLEY. What business is your son in?

Mr. BALESTRERE. He is in the liquor store business.

Mr. HALLEY. Where is his liquor store?

Mr. BALESTRERE. 1124 East Eighteenth Street.

Mr. HALLEY. Does he have more than one liquor store?

Mr. BALESTRERE. No; one.

Mr. HALLEY. Just one?

Mr. BALESTRERE. Just one.

Mr. HALLEY. What is his full name?

Mr. BALESTRERE. Sam Balestrere.

Mr. HALLEY. Sam Balestrere?

Mr. BALESTRERE. Yes, sir.

Mr. HALLEY. Did you ever have an interest in the Green Hills gambling house?

Mr. BALESTRERE. Yes, sir.

Mr. HALLEY. When?

Mr. BALESTRERE. 1942, if I don't mistake.

Mr. HALLEY. Until when?

Mr. BALESTRERE. The last, about—I don't remember how long it was, but anyway, I got \$5,000 out of it.

Mr. HALLEY. You were in there with Binaggio?

Mr. BALESTRERE. Yes, sir.

Mr. HALLEY. And Freedlander?

Mr. BALESTRERE. Well, I don't know if Freedlander was in there or not.

Mr. HALLEY. He was in there, wasn't he?

Mr. BALESTRERE. I don't know. I never was in there.

Mr. HALLEY. You never went to the place?

Mr. BALESTRERE. Just once.

Mr. HALLEY. Did you put any money in it?

Mr. BALESTRERE. No, I didn't.

Mr. HALLEY. How did you get your interest?

Mr. BALESTRERE. This is the way it happened. One day I met Binaggio, I think I was going to a show, I met Binaggio and he asked what I was doing. I had put up a building at the White House there. I said, "I ain't doing nothing." He said, "I got a piece of Green Hills. Do you want some?" I said, "Yes, I will take some." So that is all.

About a month later he come in and brought me about \$400 or \$500. I didn't say nothing. Then he continued, and I got \$5,000 out of it. That is the way I made it.

Mr. HALLEY. What percentage did you have?

Mr. BALESTRERE. I don't know.

Mr. HALLEY. Did you ever talk to anybody but Binaggio about your deal in Green Hills?

Mr. BALESTRERE. You mean?

Mr. HALLEY. Any of the other partners.

Mr. BALESTRERE. I don't know who were the partners.

Mr. HALLEY. Freedlander, for instance.

Mr. BALESTRERE. I don't know.

Mr. HALLEY. You never talked to Freedlander about Green Hills?

Mr. BALESTRERE. No.

Mr. HALLEY. Just Binaggio?

Mr. BALESTRERE. Just Binaggio.

Mr. HALLEY. Don't you think it strange that you should get an interest in a business with no investment, no work?

Mr. BALESTRERE. No, but he is the one who came to me.

Mr. HALLEY. He came to you?

Mr. BALESTRERE. Yes. I didn't ask him.

Mr. HALLEY. It was a present?

Mr. BALESTRERE. I don't know, because I know Binaggio since he was a baby when they came from Texas and lived next door to me.

Mr. HALLEY. Where were you born?

Mr. BALESTRERE. Born 90 miles east of Palermo.

Mr. HALLEY. In Sicily?

Mr. BALESTRERE. Yes.

Mr. HALLEY. When did you come to the United States?

Mr. BALESTRERE. I came to the United States—I don't remember the year, but I tell you how old I am. I come here in 1914, and I am a little better than 59.

Mr. HALLEY. Are you a citizen?

Mr. BALESTRERE. Yes.

Mr. HALLEY. Where did you live besides St. Louis?

Mr. BALESTRERE. St. Louis?

Mr. HALLEY. I mean Kansas City.

Mr. BALESTRERE. I lived in Milwaukee.

Mr. HALLEY. You lived in Milwaukee?

Mr. BALESTRERE. Well, let's see. I have been here since 1908. I lived a year or 2 or 3 in Milwaukee.

Mr. HALLEY. You have lived in Kansas City since 1908?

Mr. BALESTRERE. Yes, sir.

Mr. HALLEY. Have you ever visited Chicago?

Mr. BALESTRERE. No.

Mr. HALLEY. Never there?

Mr. BALESTRERE. No, not many times.

Mr. HALLEY. But you have been there?

Mr. BALESTRERE. I have been there; oh, I would say I haven't been there in 10 years.

Mr. HALLEY. Have you ever been in New York?

Mr. BALESTRERE. Not many times, either.

Mr. HALLEY. But you have been there?

Mr. BALESTRERE. I passed through New York in 1923.

Mr. HALLEY. Have you been there since then?

Mr. BALESTRERE. I don't remember any, no.

Mr. HALLEY. Never?

Mr. BALESTRERE. I don't remember.

Mr. HALLEY. Have you ever been in Cleveland?

Mr. BALESTRERE. No, sir.

Mr. HALLEY. Never?

Mr. BALESTRERE. No, sir; I don't think so.

Mr. HALLEY. Do you know Gizzo?

Mr. BALESTRERE. Yes, sir.

Mr. HALLEY. How long have you known Gizzo?

Mr. BALESTRERE. I have known Gizzo a long time.

Mr. HALLEY. Over 20 years?

Mr. BALESTRERE. Oh, yes.

Mr. HALLEY. Do you know Lacoco?

Mr. BALESTRERE. Yes, sir.

Mr. HALLEY. Do you know Gargotta?

Mr. BALESTRERE. I used to know Gargotta; yes.

Mr. HALLEY. He was killed?

Mr. BALESTRERE. Huh?

Mr. HALLEY. He was killed?

Mr. BALESTRERE. Yes.

Mr. HALLEY. Who killed him?

Mr. BALESTRERE. I don't know who killed him.

Mr. HALLEY. Have you any ideas?

Mr. BALESTRERE. No; I haven't.

Mr. HALLEY. Do you know Fischetti?

Mr. BALESTRERE. No.

Mr. HALLEY. None of the Fischettis?

Mr. BALESTRERE. Fischetti?

Mr. HALLEY. Fischetti from Chicago.

Mr. BALESTRERE. No.

Mr. HALLEY. Do you know Accardo?

Mr. BALESTRERE. Who?

Mr. HALLEY. Tony Accardo.

Mr. BALESTRERE. No.

Mr. HALLEY. You never met Tony Accardo?

Mr. BALESTRERE. No; I don't know who he is.

Mr. HALLEY. Do you know Jake Guzik?

Mr. BALESTRERE. No; I don't believe so.

Mr. HALLEY. You never met him?

Mr. BALESTRERE. I don't believe I do; no.

Mr. HALLEY. You say you own the building the White House is in?

Mr. BALESTRERE. Yes, sir.

Mr. HALLEY. That is where Rainey operated; is that right?

Mr. BALESTRERE. Yes, sir.

Mr. HALLEY. Do you have any part of Rainey's operation?

Mr. BALESTRERE. No, sir.

Mr. HALLEY. No interest in it at all?

Mr. BALESTRERE. No, sir.

Mr. HALLEY. No presents?

Mr. BALESTRERE. No, sir; just the rent.

Mr. HALLEY. He paid you rent?

Mr. BALESTRERE. Yes, sir.

Mr. HALLEY. How much?

Mr. BALESTRERE. \$250 a month.

Mr. HALLEY. The place really wasn't worth that, was it?

Mr. BALESTRERE. Huh?

Mr. HALLEY. The place really wasn't worth \$250?

Mr. BALESTRERE. I rent it now for \$100.

Mr. HALLEY. That is right, if you were renting it to somebody just to live in, you couldn't get more than \$100?

Mr. BALESTRERE. I am trying to rent it now for \$150.

Mr. HALLEY. Have you got it yet?

Mr. BALESTRERE. We are supposed to get it.

Mr. HALLEY. But Rainey gave you \$250?

Mr. BALESTRERE. Rainey gave me \$250 because Rainey was renting the house and the hall, too, as a big room, as big as this. I fixed 40 by 60.

Mr. HALLEY. He was running gambling in it?

Mr. BALESTRERE. That I don't know. I can't say. I never was in there.

Mr. HALLEY. You heard it?

Mr. BALESTRERE. After I built it, Walter Rainey took it. First my son took it. He opened a restaurant in there. The kid was losing money and he quit. Then Walter Rainey came along and rented it from me. That is all I know.

Mr. HALLEY. Did you ever get a present?

Mr. BALESTRERE. Present?

Mr. HALLEY. You know what a present is?

Mr. BALESTRERE. Yes. From whom?

Mr. HALLEY. When you get something for nothing, that is a present, isn't it. A gift? You know what it is, don't you?

Mr. BALESTRERE. I got a present from my sons and my daughter.

Mr. HALLEY. You get presents. When Binaggio gave you the interest in the Green Hills, that was a present, wasn't it?

Mr. BALESTRERE. No, because Binaggio didn't tell me that way, it was a present.

Mr. HALLEY. You didn't pay anything.

Mr. BALESTRERE. Binaggio told me to put money in there.

Mr. HALLEY. You wouldn't put money in without knowing what your deal was, would you, what your percent was?

Mr. BALESTRERE. If the man was good enough to give me \$400 or \$500 a month—

Mr. HALLEY. You didn't ask any questions about it?

Mr. BALESTRERE. No, I didn't.

Mr. HALLEY. You wouldn't pay out losses until you knew what percent you were paying?

Mr. BALESTRERE. Maybe then he tell me what the loss was and what percentage I had.

Mr. HALLEY. That just never happened?

Mr. BALESTRERE. He didn't ask me.

Mr. HALLEY. You collected money from him?

Mr. BALESTRERE. That is all. He just brought it to me.

Mr. HALLEY. For nothing?

Mr. BALESTRERE. Nothing. If they lose, I think I had to pay off.

Mr. HALLEY. Maybe you would and maybe you wouldn't. You never had that problem, did you?

Mr. BALESTRERE. If he had come around and tell me, "You lost \$400 or \$500 or \$5,000," I would find a way to get the money to pay it.

Mr. HALLEY. You would have paid it?

Mr. BALESTRERE. Certainly; sold my home to pay it.

Mr. HALLEY. Between you and Binaggio, anything you say you take each other's word for completely; is that right?

Mr. BALESTRERE. That is right. As far as gamble, that is only one time, that time there. Otherwise, no. I didn't have any other deal with Binaggio since then.

Mr. HALLEY. Did you belong to the club that he was the head of, the Fifteenth Street Club?

Mr. BALESTRERE. Fifteenth Street?

Mr. HALLEY. Yes.

Br. BALESTRERE. I don't think I went in there once.

Mr. HALLEY. Did you belong, though?

Mr. BALESTRERE. No, I won't say that, either, because this is what happened: At the time that they organized the club, they had a fight

against Governor Donnelly and Governor Sermon. They were for Sermon. I wasn't. And so I didn't want them no more.

The second time I went in there, I went in to ask for a job for my son, and that is all. I never was in there.

Mr. HALLEY. Did you ever give any money to the club?

Mr. BALESTRERE. No.

Mr. HALLEY. Was Binaggio in politics?

Mr. BALESTRERE. No, sir.

Mr. HALLEY. When did you last have a business?

Mr. BALESTRERE. When did I last have a business in Kansas City?

Mr. HALLEY. Yes.

Mr. BALESTRERE. It has been quite a while back.

Mr. HALLEY. How far back?

Mr. BALESTRERE. I don't remember how far it has been back. I had a lot of business in Kansas City.

Mr. HALLEY. What is the last time you had any business?

Mr. BALESTRERE. Well, I don't remiember.

Mr. HALLEY. What do you live on?

Mr. BALESTRERE. What do I live on? Didn't I just get through telling you 52½ a month I get from Rainey, and then I stay with my son, and my son buys the groceries. I don't need nothing else. Just me and my wife.

Mr. HALLEY. You are a poor man?

Mr. BALESTRERE. Poor man?

Mr. HALLEY. Yes.

Mr. BALESTRERE. I am not poor, and I am not rich.

Mr. HALLEY. Do you have a bank account?

Mr. BALESTRERE. Oh, no.

Mr. HALLEY. No bank account?

Mr. BALESTRERE. No, sir.

Mr. HALLEY. Have you got any cash money?

Mr. BALESTRERE. No, sir.

Mr. HALLEY. None at all?

Mr. BALESTRERE. No, outside of what rent I get. My wife put it in the bank.

Mr. HALLEY. Do you own any real estate?

Mr. BALESTRERE. Outside my home and that piece I am talking about. I own just the property, not even the ground.

Mr. HALLEY. What did you pay for your home?

Mr. BALESTRERE. Oh, I build my home 22 years ago. I can't remember that far. I build it myself.

Mr. HALLEY. Is it a big house?

Mr. BALESTRERE. Yes.

Mr. HALLEY. You had substantial business 22 years ago?

Mr. BALESTRERE. Huh?

Mr. HALLEY. You had a substantial business 22 years ago?

Mr. BALESTRERE. Yes.

Mr. HALLEY. You are really a retired man, is that right?

Mr. BALESTRERE. Retired. I am getting the rent.

Mr. HALLEY. What kind of business did you have 22 years ago?

Mr. BALESTRERE. I had a grocery store. I was in the sugar business at the time of prohibition. I was in the drug-store business, if you are speaking of the line of businesses I was in. I was in the grocery-store

business, sugar business, I was in the drug-store business. All lines, that kind of business.

Mr. HALLEY. Have you any interest in any liquor business?

Mr. BALESTRERE. Now?

Mr. HALLEY. Now.

Mr. BALESTRERE. Never did.

Mr. HALLEY. You have no interest in your son's liquor business?

Mr. BALESTRERE. No, no. It belong to my son. But this is what happened. I don't know your name.

Mr. HALLEY. Halley.

Mr. BALESTRERE. Mr. Halley, my boy, the business has been bad, so my boy is a ball maker. He gets \$18.80 a day. I can't go and work for that. I am a stone mason by trade. I can't go to work. I am too old. The boy said, "I will go to work. You stay here, Pop." He still works.

Mr. HALLEY. Are you worth any money? What is your net worth today?

Mr. BALESTRERE. What my son is doing for me? No.

Mr. HALLEY. Do you have in the bank a thousand dollars?

Mr. BALESTRERE. No.

The CHAIRMAN. He does not have any bank account.

Mr. HALLEY. He says she puts the rent in the bank.

Mr. BALESTRERE. My wife does.

Mr. HALLEY. She has a bank account?

Mr. BALESTRERE. Certainly.

Mr. HALLEY. How much money is in her account, do you know?

Mr. BALESTRERE. No.

Mr. HALLEY. Is it over a thousand dollars?

Mr. BALESTRERE. I don't know. I don't know, but I say the Internal Revenue Department, I don't know if it is the Internal Revenue Department, whatever it is, they come over and got all my wife's checks and everything, and they still got it up there.

Mr. HALLEY. Does your wife own any property?

Mr. BALESTRERE. No, outside what me and her got.

Mr. HALLEY. Have you ever had an agency for any beer company?

Mr. BALESTRERE. No, sir.

Mr. HALLEY. Were you ever in the beer business?

Mr. BALESTRERE. No, sir.

Mr. HALLEY. Schlitz?

Mr. BALESTRERE. No, sir.

Mr. HALLEY. Or Canadian Ace?

Mr. BALESTRERE. No, sir.

Mr. HALLEY. Were you ever in the beer business with Lacoco?

Mr. BALESTRERE. No, sir.

Mr. HALLEY. Or with Guzik?

Mr. BALESTRERE. Guzik? No.

Mr. HALLEY. Or Gizzo?

Mr. BALESTRERE. No.

Mr. HALLEY. Or Carolla?

Mr. BALESTRERE. No, sir.

Mr. HALLEY. Did you ever have an agency to sell any kind of whisky?

Mr. BALESTRERE. No, sir.

Mr. HALLEY. Seagram's?

Mr. BALESTRERE. No, sir.

The CHAIRMAN. All right. Any other questions?

Mr. WHITE. Do you know Paul Antinori from Tampa?

Mr. BALESTRERE. No.

Mr. WHITE. Do you know Italiano from Tampa?

Mr. BALESTRERE. No.

Mr. WHITE. Traficante from Tampa?

Mr. BALESTRERE. I never was in Florida.

Mr. WHITE. Do you know Bastiano Nani?

Mr. BALESTRERE. No.

Mr. WHITE. Joe Profaci?

Mr. BALESTRERE. No.

Mr. WHITE. Tony Milano?

Mr. BALESTRERE. No.

Mr. WHITE. Al Polizzi?

Mr. BALESTRERE. No.

Mr. WHITE. A man by the name of Dionoso in Colorado?

Mr. BALESTRERE. Dionoso? I have been in Colorado.

Mr. WHITE. Trinidad, Colo.?

Mr. BALESTRERE. Trinidad, Colo? No.

Mr. WHITE. A man by the name of Virusso?

Mr. BALESTRERE. Virusso; no.

Mr. WHITE. Mangano?

Mr. BALESTRERE. Mangano?

Mr. GOLDSCHEIN. From Brooklyn, N. Y.

Mr. BALESTRERE. No.

The CHAIRMAN. That is all, thank you.

(Witness excused.)

The CHAIRMAN. Joseph DeLuca.

Mr. DeLuca, do you solemnly swear the testimony you will give this committee is the whole truth and nothing but the truth, so help you God?

Mr. DeLUCA. Yes, sir.

#### . TESTIMONY OF JOSEPH DeLUCA, KANSAS CITY, MO.

Mr. WHITE. Sit down, please.

You are Mr. Joe DeLuca?

Mr. DeLUCA. Yes, sir.

Mr. WHITE. Mr. DeLuca, what is your business now?

Mr. DeLUCA. 1721 West Ninth.

Mr. WHITE. What is the business?

Mr. DeLUCA. It is a liquor store. That is a corporation.

Mr. WHITE. Mr. DeLuca, have you been arrested in the last 10 years?

Mr. DeLUCA. In the last 10 years?

Mr. WHITE. Yes. Have you been arrested in the last 10 years?

Mr. DeLUCA. Yes; 1942.

Mr. WHITE. You were one of a number of people indicted on and convicted on a narcotics charge in 1942?

Mr. DeLUCA. Yes.

Mr. WHITE. Do you know a man named Antinori from Tampa?

Mr. DeLUCA. Yes. He was in the same trial.

Mr. WHITE. Do you know a man named Red Italiano?

Mr. DeLUCA. Who?

Mr. WHITE. Red Italiano from Tampa.

Mr. DeLUCA. No.

Mr. WHITE. Did you know a man named Carl Carramusa.

Mr. DeLUCA. He was in the same trial.

Mr. WHITE. Was Carramusa the man who testified against you?

Mr. DeLUCA. He didn't testify against me.

Mr. WHITE. He testified, and you were convicted, isn't that correct?

Mr. DeLUCA. I don't know. I was convicted, but I don't think he testified against me, because he didn't say anything against me.

Mr. WHITE. Carramusa was murdered, wasn't he, in Chicago some time later?

Mr. DeLUCA. I don't know. I guess so.

Mr. WHITE. Did you ever hear of it?

Mr. DeLUCA. I heard it in the paper; yes.

Mr. WHITE. You heard it from me, too. Didn't I come around and talk to you about it one time?

Mr. DeLUCA. Yes.

Mr. WHITE. Weren't you sent back to prison as a result of that?

Mr. DeLUCA. Not over that.

Mr. WHITE. You were sent back for violation of parole, isn't that correct?

Mr. DeLUCA. I didn't violate no parole.

Mr. WHITE. You went back to prison, didn't you?

Mr. DeLUCA. Oh, yes, sure.

Mr. WHITE. On what other occasion have you been arrested—on what other occasions have you been convicted, Mr. DeLuca?

Mr. DeLUCA. One time for whisky.

Mr. WHITE. When was that?

Mr. DeLUCA. 1929, I think, or 1930. I don't know.

Mr. WHITE. Will you tell us about the circumstances regarding the narcotics case in which you were convicted?

Mr. DeLUCA. Well, I don't know what you mean.

Mr. WHITE. How were you operating?

Mr. DeLUCA. I wasn't operating.

Mr. WHITE. You were convicted of operating in the narcotics business, weren't you?

Mr. DeLUCA. Yes, but I didn't buy no stuff. I never sold it. I never seen any. I never give nobody no money. I didn't receive no money. Of course, I was in it.

Mr. WHITE. How were you in it?

Mr. DeLUCA. I don't know.

Mr. WHITE. Did the people lie about you when they testified against you?

Mr. DeLUCA. I don't know, lie or tell the truth. I know I was in it.

Mr. WHITE. Do you claim you were innocent? Were you framed?

Mr. DeLUCA. Well, I never sold any. I never bought any. I never gave nobody no money. So I don't know what you call it.

Mr. WHITE. What do you call it? Were you framed? You were convicted and went to prison.

Mr. DeLUCA. I don't know, it is up to you.

Mr. WHITE. Isn't it a fact that it was alleged that you and other people from Kansas City, and some people from St. Louis, were

getting narcotics from Tampa, Fla., and that those drugs in Tampa were coming from Cuba? Is that correct?

Mr. DeLUCA. Not from me. It isn't correct.

Mr. WHITE. Wasn't that the charge on which you were convicted?

Mr. DeLUCA. I guess so. I don't know.

Mr. WHITE. Was Carl Carramusa supposed to be the delivery man in this organization?

Mr. DeLUCA. Not for me. I wasn't in on that kind of business.

Mr. WHITE. What charge were you convicted of, Mr. DeLuca?

Mr. DeLUCA. I don't know. You have the paper here.

Mr. WHITE. You don't know why you went to prison?

Mr. DeLUCA. No.

Mr. WHITE. No idea?

Mr. DeLUCA. No.

Mr. WHITE. No idea why you were sent back to prison for violation of parole?

Mr. DeLUCA. Violate parole; but I don't think I did.

Mr. WHITE. The parole board thought so.

Mr. DeLUCA. They said because I pay the bank. I gave \$1,500 because I owe the bank \$1,500, and I didn't say it to the parole board. I gave the bank \$1,500. That is the only thing I know.

Mr. WHITE. Are you a citizen of the United States?

Mr. DeLUCA. No, I am not.

Mr. WHITE. What was your status during the war? Were you an enemy alien?

Mr. DeLUCA. Enemy alien?

Mr. WHITE. Yes.

Mr. DeLUCA. Not that I know of. I have been with this country 100 percent.

Mr. WHITE. Weren't you arrested and put under bond as an unregistered alien?

Mr. DeLUCA. No, sir.

Mr. WHITE. Was your brother?

Mr. DeLUCA. He wasn't registered.

Mr. WHITE. What is that?

Mr. DeLUCA. I registered, if that is what you mean.

Mr. WHITE. Didn't the FBI find you with a radio set and a gun during the war?

Mr. DeLUCA. I had a gun in the house; yes.

Mr. WHITE. And a radio set that you weren't supposed to have?

Mr. DeLUCA. No radio set.

Mr. WHITE. Didn't the FBI take that gun away from you?

Mr. DeLUCA. Yes.

Mr. WHITE. Didn't they put a charge against you?

Mr. DeLUCA. Not that I know of.

Mr. WHITE. Did you have to make bond? Did you have to put up a bond?

Mr. DeLUCA. No.

Mr. WHITE. When they took that gun?

Mr. DeLUCA. No, sir.

Mr. WHITE. That is all.

The CHAIRMAN. Are there any other questions? What business are you in now?

Mr. DeLUCA. Joseph DeLuca Corp.

The CHAIRMAN. Do you have a bookie joint?

Mr. DELUCA. No bookie joint.

The CHAIRMAN. Do you have a gambling place?

Mr. DELUCA. No, sir.

The CHAIRMAN. Did you ever have a gambling place?

Mr. DELUCA. No, sir.

The CHAIRMAN. Interested in one?

Mr. DELUCA. No, sir.

The CHAIRMAN. Do you have a lot of money?

Mr. DELUCA. Whatever I got is invested in the business. I have a few shares in the business, if that is what you mean.

The CHAIRMAN. Who is your partner in the business?

Mr. DELUCA. George DeLuca.

The CHAIRMAN. Anybody else?

Mr. DELUCA. My brother.

Mr. HALLEY. Do the liquor stores have an association here in Kansas City?

Mr. DELUCA. What do you mean, "association"? I don't understand that.

Mr. HALLEY. A club or an association.

Mr. DELUCA. None that I know of.

Mr. HALLEY. Do you have an organization? Do you know what an organization is?

Mr. DELUCA. No; I don't know what you mean.

Mr. HALLEY. Do you have one of these liquor stores with a very fancy show window? I have been walking around Kansas City for a day or two and notice that a lot of the liquor stores have very pretty displays, with all glass on the outside, and the bottles all showing.

Mr. DELUCA. The bottles on the shelf; yes.

Mr. HALLEY. They all look alike. Many of the stores look like the others. You have noticed that; haven't you?

Mr. DELUCA. I guess so; I don't know.

Mr. HALLEY. Who arranged this decoration so that all the stores look alike?

Mr. DELUCA. No one; I don't think.

Mr. HALLEY. Well, do you own only one store, or do you have more than one?

Mr. DELUCA. No; three of them.

Mr. HALLEY. Three?

Mr. DELUCA. Yes.

Mr. HALLEY. Your three stores all look each one like the other; is that right?

Mr. DELUCA. If that is what you mean, the shelf.

Mr. HALLEY. The shelves?

Mr. DELUCA. The shelf.

Mr. HALLEY. The very fancy kind of shelf?

Mr. DELUCA. In kind of steps.

Mr. HALLEY. Like steps, all the bottles are lined up?

Mr. DELUCA. That is what they are.

Mr. HALLEY. All your three stores are like that?

Mr. DELUCA. No; just two of them. One is a saloon.

Mr. HALLEY. You have a saloon, too. Do other liquor stores have that same idea with the steps?

Mr. DELUCA. I guess they have. I don't pay much attention to them.

Mr. HALLEY. Who put the fixtures in for you?

Mr. DELUCA. I don't know. They had it made.

Mr. HALLEY. Who sold them to you?

Mr. DELUCA. I don't remember.

Mr. HALLEY. Do your records show where you bought your fixtures?

Mr. DELUCA. I guess so.

Mr. HALLEY. Do you know the name of the man?

Mr. DELUCA. No; I don't. Mr. DeLuca had them made.

The CHAIRMAN. That is all; thank you.

Call Hermann Rosenberg.

Mr. Rosenberg, will you come around over here, please?

Do you solemnly swear the testimony you will give this committee will be the whole truth, and nothing but the truth, so help you God?

Mr. ROSENBERG. I do.

#### TESTIMONY OF HERMANN P. ROSENBERG, KANSAS CITY, MO.

Mr. HALLEY. Your name is Hermann Rosenberg?

Mr. ROSENBERG. That is right.

Mr. HALLEY. You have the Midland Lithograph Co. of Kansas City?

Mr. ROSENBERG. That is right.

Mr. HALLEY. Did you, in the early part of 1949, telephone Cohn, the police commissioner?

Mr. ROSENBERG. Yes, sir.

Mr. HALLEY. Robert Cohn?

Mr. ROSENBERG. Yes, sir.

Mr. HALLEY. Did you tell him that Binaggio wanted to talk to him?

Mr. ROSENBERG. Yes, sir.

Mr. HALLEY. Did you arrange a meeting between Binaggio and Cohn?

Mr. ROSENBERG. Yes, sir.

Mr. HALLEY. That took place in the Midland Lithograph Co.?

Mr. ROSENBERG. Yes, sir.

Mr. HALLEY. Had you had a talk with Binaggio before that?

Mr. ROSENBERG. Well, he asked me if I knew Cohn, and I had known Bobby probably 20 years or more.

Mr. HALLEY. You said you did?

Mr. ROSENBERG. I said I did. He asked if I would call him. I said I would, and did.

Mr. HALLEY. Did you ask Binaggio what he wanted Cohn for?

Mr. ROSENBERG. No, sir.

Mr. HALLEY. Did Binaggio complain?

Mr. ROSENBERG. He just asked me if I would arrange a meeting for him.

Mr. HALLEY. Had you heard that Binaggio was troubled because he couldn't get Cohn to go along on some appointments he wanted to make?

Mr. ROSENBERG. He never discussed the matter with me at any time.

Mr. HALLEY. When they met in your office, you were not present?

Mr. ROSENBERG. No, sir.

Mr. HALLEY. There was a subsequent meeting in your office?

Mr. ROSENBERG. Yes, sir.

Mr. HALLEY. With Binaggio, Cohn, and Milligan?

Mr. ROSENBERG. Milligan I don't know. I made the meeting for Binaggio and Cohn. If Milligan was there, I have no knowledge of it.

Mr. HALLEY. Were there only two meetings in your office?

Mr. ROSENBERG. That is all.

Mr. HALLEY. Is there anything you can tell the committee with reference to the murder of Binaggio?

Mr. ROSENBERG. No, sir.

Mr. HALLEY. Have you any thoughts on it, on who did it and under what circumstances?

Mr. ROSENBERG. No, sir.

Mr. HALLEY. Did you have any information regarding Binaggio's efforts to control the police department?

Mr. ROSENBERG. He never discussed the police department with me, except to ask me to make an appointment for him with Cohn.

Mr. HALLEY. Are you a member of Binaggio's club?

Mr. ROSENBERG. I was; yes, sir.

Mr. HALLEY. Are you still?

Mr. ROSENBERG. No, sir. I don't think so.

Mr. HALLEY. When did you leave the club?

Mr. ROSENBERG. Well, I don't think I have paid any dues down there either this last year or 2 years. I don't know for sure.

Mr. HALLEY. I have no other questions.

The CHAIRMAN. Let me ask, Is that the usual meeting place for Binaggio, at your establishment? Why would he meet anybody there?

Mr. ROSENBERG. He asked me to arrange the meeting for him. I talked to Cohn. He said he would meet Charley.

The CHAIRMAN. Was Cohn your lawyer?

Mr. ROSENBERG. No.

The CHAIRMAN. Just a personal friend?

Mr. ROSENBERG. I had known him over 20 years.

The CHAIRMAN. Did you ask Binaggio what he wanted to talk with him about?

Mr. ROSENBERG. No, sir.

The CHAIRMAN. What other people would he meet at your place?

Mr. ROSENBERG. He didn't meet any other people at my place that I know anything about.

The reason for that, Senator, was that Cohn said he would see him, but he would rather not see him in his office.

The CHAIRMAN. What is this lithograph company you have?

Mr. ROSENBERG. Just exactly that, a lithographing company.

The CHAIRMAN. Is that the only business you have?

Mr. ROSENBERG. That is all.

The CHAIRMAN. Have you ever been in any trouble with the police?

Mr. ROSENBERG. Never.

The CHAIRMAN. Now, Mr. Rosenberg, do you know anything about the effort to establish a Standard Insurance Co., or some insurance company?

Mr. ROSENBERG. There is a Standard Insurance Co., and it belongs to my son.

The CHAIRMAN. What is his first name?

Mr. ROSENBERG. It is junior; Hermann Rosenberg, Jr.

The CHAIRMAN. You have a brother Paul; do you not?

Mr. ROSENBERG. No, sir.

The CHAIRMAN. What is the Standard Insurance Co.?

Mr. ROSENBERG. My son was in business with me when he came out of college for 2 or 3 years. He didn't like it and wanted to go in business for himself. At his own suggestion, it was insurance. I talked to two or three friends of mine who were in the insurance business, to see if I couldn't get him placed in one of the other companies as a broker. But one or two of them suggested, "Why don't you just let him open up his own office?" which he did.

The CHAIRMAN. The Standard Insurance Co. has its main office where?

Mr. ROSENBERG. The main office, the only office is in the Lathrop Building.

The CHAIRMAN. Does it write insurance on automobiles, or what?

Mr. ROSENBERG. Yes.

The CHAIRMAN. How big a business is that?

Mr. ROSENBERG. Very small, not even on a paying basis. He has one girl and himself, and his rent.

The CHAIRMAN. What sort of insurance does that company write?

Mr. ROSENBERG. Casualty, fire, automobile.

The CHAIRMAN. How much money does he have in it? What is the capitalization of it?

Mr. ROSENBERG. About \$14,000, I think.

The CHAIRMAN. Did you figure on Binaggio's going in that business with you?

Mr. ROSENBERG. No.

The CHAIRMAN. Or he?

Mr. ROSENBERG. No, sir.

The CHAIRMAN. Was there some plan to get some help from the administration so that he could write insurance other places?

Mr. ROSENBERG. I don't understand what you mean, "other places."

The CHAIRMAN. Of other agencies around over the country.

Mr. ROSENBERG. No, sir.

The CHAIRMAN. To get some Government business.

Mr. ROSENBERG. No, sir. It never was mentioned. He never thought of such a thing, even.

The CHAIRMAN. Do you know Mr. Lawler?

Mr. ROSENBERG. Who?

The CHAIRMAN. L-a-w-l-e-r-, Lawler.

Mr. ROSENBERG. I don't know him; no, sir; Lawler I don't know.

The CHAIRMAN. Do you know Mr. John Nuckols?

Mr. ROSENBERG. I know who he is. I don't know him, never met the man.

The CHAIRMAN. James F. Lillis?

Mr. ROSENBERG. Yes; I know Mr. Lillis.

The CHAIRMAN. What business are they in?

Mr. ROSENBERG. Mr. Lillis is in the insurance business. He had my insurance for many years, all the years I was in business, until it went to my son. When he went in business I gave it to him, or part of it. In fact, Mr. Lillis still has the biggest part of it.

The CHAIRMAN. So your lithographing business is the only business you have?

Mr. ROSENBERG. Yes, sir.

The CHAIRMAN. All right, thank you, Mr. Rosenberg. That is all.  
You are excused.

Is your brother out there?

Mr. ROSENBERG. Yes.

The CHAIRMAN. He is in business with you?

Mr. ROSENBERG. No, sir.

The CHAIRMAN. He is a bookmaker?

Mr. ROSENBERG. That is right.

The CHAIRMAN. Let us get him in.

(Witness excused.)

The CHAIRMAN. Mr. Rosenberg, right over here, please.

Do you solemnly swear the testimony you will give this committee  
will be the whole truth and nothing but the truth, so help you God?

Mr. HARRY L. ROSENBERG. Yes, sir.

#### TESTIMONY OF HARRY L. ROSENBERG, HYDE PARK HOTEL, KANSAS CITY, MO.

Mr. GOLDSCHEN. Your full name, please, sir?

Mr. ROSENBERG. Harry L. Rosenberg.

Mr. GOLDSCHEN. Where do you live?

Mr. ROSENBERG. Hyde Park Hotel.

Mr. GOLDSCHEN. What is your business?

Mr. ROSENBERG. I was formerly in the booking business.

Mr. GOLDSCHEN. What?

Mr. ROSENBERG. Bookmaking business.

Mr. GOLDSCHEN. When did you get out?

Mr. ROSENBERG. I think it was several months ago.

Mr. GOLDSCHEN. Several months ago?

Mr. ROSENBERG. Two or three months ago, something like that.

Mr. GOLDSCHEN. You haven't been in it since?

Mr. ROSENBERG. No, sir.

Mr. GOLDSCHEN. What was your firm name; how did you operate?

Mr. ROSENBERG. Rosenberg and Cramer.

Mr. GOLDSCHEN. Rosenberg and Cramer. Who were your partners?

Mr. ROSENBERG. My two brothers and David Cramer.

Mr. GOLDSCHEN. Name your two brothers.

Mr. ROSENBERG. Ralph Rosenberg and Meyer Rosenberg.

Mr. GOLDSCHEN. Are you related to Hermann Rosenberg?

Mr. ROSENBERG. Brother.

Mr. GOLDSCHEN. How long were you operating in the bookmaking  
business?

Mr. ROSENBERG. I went into it after I got out of the Army in 1945.

Mr. GOLDSCHEN. How long were your two brothers in it?

Mr. ROSENBERG. I couldn't tell you, sir.

Mr. GOLDSCHEN. Were they in it when you got in it?

Mr. ROSENBERG. They were in it when I came out of the Army; yes,  
sir.

Mr. GOLDSCHEN. Approximately how long were they in it?

Mr. ROSENBERG. I would hate to say, because I really don't know.

Mr. GOLDSCHEN. Your best recollection?

Mr. ROSENBERG. Two or three years, maybe four years. I don't really  
know.

Mr. GOLDSCHEIN. Prior to your getting in?

Mr. ROSENBERG. Yes, sir; because I was in the Army when they started that.

Mr. GOLDSCHEIN. When did Cramer get in?

Mr. ROSENBERG. I think he was in with them from the beginning, if I am not mistaken.

Mr. GOLDSCHEIN. Prior to the war?

Mr. ROSENBERG. Yes, sir.

Mr. GOLDSCHEIN. What was the biggest year you had in the bookmaking business?

Mr. ROSENBERG. What do you mean by that?

Mr. GOLDSCHEIN. The biggest year you have had from the financial standpoint, gross.

Mr. ROSENBERG. I think the biggest amount I ever made was around \$11,000 or \$12,000 in 1 year.

Mr. GOLDSCHEIN. In 1 year, you did a business of a million and a half dollars a year, didn't you, in 1948?

Mr. ROSENBERG. I don't think that is an accurate figure, sir.

Mr. GOLDSCHEIN. Isn't it?

Mr. ROSENBERG. I doubt it.

Mr. GOLDSCHEIN. Correct me. What was the biggest year you had?

Mr. ROSENBERG. I couldn't say, but a million and a half seems awfully large to me.

Mr. GOLDSCHEIN. But you don't know what the biggest year you had was?

Mr. ROSENBERG. No. I never did keep a record of that.

Mr. GOLDSCHEIN. What other financial interests have you had, other than bookmaking, in the past since you got out of the Army?

Mr. ROSENBERG. That is about all, sir.

Mr. GOLDSCHEIN. What did you do before you got into the Army?

Mr. ROSENBERG. I didn't do anything for several years.

Mr. GOLDSCHEIN. How were you living?

Mr. ROSENBERG. I had some money that I had made before that.

Mr. GOLDSCHEIN. How? In what?

Mr. ROSENBERG. I was over at the courthouse for a good many years.

Mr. GOLDSCHEIN. Doing what?

Mr. ROSENBERG. Working in the collector's office.

Mr. GOLDSCHEIN. In the tax collector's office?

Mr. ROSENBERG. Yes, sir.

Mr. GOLDSCHEIN. What was your salary there?

Mr. ROSENBERG. I think it was \$175 a month.

Mr. GOLDSCHEIN. Were you married?

Mr. ROSENBERG. No, sir.

Mr. GOLDSCHEIN. How much money did you have when you went into the bookmaking business?

Mr. ROSENBERG. I had a considerable amount of money.

Mr. GOLDSHEIN. What do you call a considerable amount?

Mr. ROSENBERG. \$15,000 or \$20,000, I guess.

Mr. GOLDSCHEIN. Where did you accumulate that? Not on \$175 a month?

Mr. ROSENBERG. No; it wasn't made on \$175 a month.

Mr. GOLDSCHEIN. Where did it come from?

Mr. ROSENBERG. Well, I would hate to answer that question, sir.

Mr. GOLDSCHEIN. Why? Does it involve you in violation of a Federal offense?

Mr. ROSENBERG. I don't know whether it would be a Federal offense or not. I was convicted of a Federal offense.

Mr. GOLDSCHEIN. When?

Mr. ROSENBERG. I think it was in 1939.

Mr. GOLDSCHEIN. What was the offense?

Mr. ROSENBERG. Income-tax evasion.

Mr. GOLDSCHEIN. You have paid your taxes since then, haven't you?

Mr. ROSENBERG. Yes, sir.

Mr. GOLDSCHEIN. All right, now, tell us what this money you had—

The CHAIRMAN. The statute of limitations would have run on anything that happened back in 1940.

Mr. ROSENBERG. It was supposed to have been tax-fixing.

Mr. GOLDSCHEIN. Tax-fixing in the tax assessor's office?

Mr. ROSENBERG. Yes, sir.

Mr. GOLDSCHEIN. Who were you working for then?

Mr. ROSENBERG. I was working for the county collector.

Mr. GOLDSCHEIN. Who was he?

Mr. ROSENBERG. George Harrington.

Mr. GOLDSCHEIN. He was what, the tax collector?

Mr. ROSENBERG. He was the tax collector.

Mr. GOLDSCHEIN. What was the fix? How did you fix taxes?

Mr. ROSENBERG. There was a lot of delinquent taxes in those days, and these people could have gone before the county court themselves and asked for an abatement and received it. But they didn't do that.

Mr. GOLDSCHEIN. They came to see you?

Mr. ROSENBERG. They didn't come to see me. They went to see another fellow.

Mr. GOLDSCHEIN. Who did they come to see?

Mr. ROSENBERG. A fellow by the name of Kresge. He is a tax consultant.

Mr. GOLDSCHEIN. In town here?

Mr. ROSENBERG. Yes, sir.

Mr. GOLDSCHEIN. An accountant?

Mr. ROSENBERG. Yes, sir.

Mr. GOLDSCHEIN. What is his first name?

Mr. ROSENBERG. Harvey.

Mr. GOLDSCHEIN. Where is he located?

Mr. ROSENBERG. In the Lathrop Building.

Mr. GOLDSCHEIN. All right. They came to see him?

Mr. ROSENBERG. That is right.

Mr. GOLDSCHEIN. He did what?

Mr. ROSENBERG. He would come to see us and see if we could help him get an abatement. We would go before the county court and show the amount of back taxes against the property, and if the county court saw fit to cut it, they would do so. These people could have gone before the county court themselves and probably have done better than we could have done for them.

Mr. GOLDSCHEIN. You, being in the tax assessor's office, had the tax assessment cut?

Mr. ROSENBERG. No; we were in the tax collector's office. The county court would make an abatement.

Mr. GOLDSCHEIN. Would abate it?

Mr. ROSENBERG. Would make an abatement lowering the amount of the tax. This man would collect his fee, which he would give us part of.

Mr. GOLDSCHEIN. Would give us? Who do you mean by "us"?

Mr. ROSENBERG. Myself and whoever might be working in the office who might help him.

Mr. GOLDSCHEIN. Who else was in the office?

Mr. ROSENBERG. There were a number of people there. I don't know who all they were now.

Mr. GOLDSCHEIN. When you said "us," you meant whom?

Mr. ROSENBERG. I meant myself, or whoever else he might have done business with. I don't know who he did business with.

Mr. GOLDSCHEIN. When Kresge got a fee from a client for cutting the tax, what would it be based on?

Mr. ROSENBERG. On the amount of the savings.

Mr. GOLDSCHEIN. How much of the amount of savings would you get?

Mr. ROSENBERG. I imagine he would get 50 percent.

Mr. GOLDSCHEIN. Fifty-percent of the savings; and he would give you half of what he got?

Mr. ROSENBERG. Approximately. Sometimes not that much.

Mr. GOLDSCHEIN. Who did you have to divide with?

Mr. ROSENBERG. I never divided with anybody.

Mr. GOLDSCHEIN. You kept it all?

Mr. ROSENBERG. That is right, sir.

The CHAIRMAN. How much did that amount to over the course of years?

Mr. ROSENBERG. Well, sir, I don't know.

The CHAIRMAN. About how much? You were indicted on an income-tax evasion. How much did they claim that amounted to?

Mr. ROSENBERG. I couldn't remember the figures.

Mr. GOLDSCHEIN. Approximately?

The CHAIRMAN. A hundred thousand?

Mr. ROSENBERG. Oh, no; no such amount as that.

Mr. GOLDSCHEIN. \$25,000?

Mr. ROSENBERG. I would say \$25,000, maybe \$30,000. I am not sure what the figure was.

The CHAIRMAN. Did you fix up assessments with Mr. Clark?

Mr. ROSENBERG. No, sir.

Mr. GOLDSCHEIN. Were you working there when he was working there?

Mr. ROSENBERG. No, sir. I haven't been in the courthouse for years.

Mr. GOLDSCHEIN. Who was his tax-fixer?

Mr. ROSENBERG. I don't have any idea. I don't know anything about Mr. Clark.

The CHAIRMAN. Have you ever been in the gambling business outside of this bookie?

Mr. ROSENBERG. No, sir; that is the only time.

The CHAIRMAN. What business did you say you are in now?

Mr. ROSENBERG. I am not doing anything. I am looking for a business to buy.

The CHAIRMAN. All right. That is all, Mr. Rosenberg.

Mr. GOLDSCHEIN. It was the county tax collector; wasn't it?

Mr. ROSENBERG. That is right.

Senator TOBEY. What did you do that was wrong in that position?

Mr. ROSENBERG. I wouldn't say it was wrong, Senator. These men had a right to go before the county court themselves and ask for these abatements, which they didn't do. The county court would have abated them for them and probably given them a bigger abatement.

Senator TOBEY. You helped them get abatements?

The CHAIRMAN. They went to a lawyer, you see, and he would steer them to a lawyer, and he would help them get the abatement, and the lawyer gave him half the fee.

Senator TOBEY. The same racket is going on in Washington.

The CHAIRMAN. That is all.

Mr. ROSENBERG. All right, sir.

(Witness excused.)

The CHAIRMAN. Who is next?

Mr. HALLEY. Joe Di Giovanni.

The CHAIRMAN. Come around here, Mr. Di Giovanni.

Do you solemnly swear the testimony you will give this committee will be the truth, the whole truth, and nothing but the truth so help you God?

Mr. Joe Di GIOVANNI. I do.

The CHAIRMAN. Sit down.

Mr. Di GIOVANNI. Thank you.

#### TESTIMONY OF JOE DI GIOVANNI, KANSAS CITY, MO.

Mr. WHITE. Do you understand English, Mr. Di Giovanni?

Mr. Di GIOVANNI. Yes, sir; a little bit.

Mr. WHITE. How old are you?

Mr. Di GIOVANNI. Sixty-two.

Mr. WHITE. Where were you born?

Mr. Di GIOVANNI. Italy.

Mr. WHITE. Are you a citizen of the United States?

Mr. Di GIOVANNI. Yes, sir.

Mr. WHITE. When and where were you naturalized?

Mr. Di GIOVANNI. 1924.

Mr. WHITE. Have you ever been arrested?

Mr. Di GIOVANNI. No, sir.

Mr. WHITE. What business are you in at the moment?

Mr. Di GIOVANNI. Wholesale liquor.

Mr. WHITE. What is the name of your establishment?

Mr. Di GIOVANNI. Middle West Distributing Co.

Mr. WHITE. What partners have you there?

Mr. Di GIOVANNI. My brother.

Mr. WHITE. What is his name?

Mr. Di GIOVANNI. Pete Di Giovanni.

Mr. WHITE. Did you ever hear of an organization called the Mafia?

Mr. Di GIOVANNI. No, sir.

Mr. WHITE. You never heard of it?

Mr. Di GIOVANNI. No.

Mr. WHITE. Do you read the newspapers?

Mr. Di GIOVANNI. Yes, sir.

Mr. WHITE. Did you ever see that word in the newspapers?

Mr. Di GIOVANNI. Yes.

Mr. WHITE. Have you heard of it?

Mr. Di GIOVANNI. Yes.

Mr. WHITE. Do you know what it is?

Mr. Di GIOVANNI. No, sir.

Mr. WHITE. Do you know what the Unione Siciliano is?

Mr. Di GIOVANNI. No, sir.

Mr. WHITE. Where were you born, in what Province of Italy?

Mr. Di GIOVANNI. I was born in Palermo.

Mr. WHITE. That is in Sicily, isn't it?

Mr. Di GIOVANNI. That is right.

Mr. WHITE. What year did you come to this country?

Mr. Di GIOVANNI. 1903.

Mr. WHITE. How old were you when you came here?

Mr. Di GIOVANNI. About 14.

Mr. WHITE. You never heard of the Mafia when you were living in Italy?

Mr. Di GIOVANNI. No, sir.

Mr. WHITE. Did you ever hear your folks discuss it?

Mr. Di GIOVANNI. No, sir.

Mr. WHITE. Did you ever hear of the Camorra?

Mr. Di GIOVANNI. No, sir.

Mr. WHITE. Did you know what the term "Greenies" means?

Mr. Di GIOVANNI. Green?

Mr. WHITE. Greenies.

Mr. Di GIOVANNI. Well, what do you mean, green? Come from the old country, green?

Mr. WHITE. I am asking you. What do you think the term means when it is used by Italians?

Mr. Di GIOVANNI. Green means you just come to this country, huh? Is that it?

Mr. WHITE. Do you belong to any secret Italian organization?

Mr. Di GIOVANNI. No, sir.

The CHAIRMAN. Let us see what he does belong to.

What organizations do you belong to?

Mr. Di GIOVANNI. No organizations at all.

The CHAIRMAN. Any clubs, societies?

Mr. Di GIOVANNI. No clubs, no societies.

Mr. WHITE. Mr. Di Giovanni, you have lived in Kansas City a long time!

Mr. Di GIOVANNI. Yes, sir.

Mr. WHITE. How many years?

Mr. Di GIOVANNI. I imagine about 35 years or more.

Mr. WHITE. Did you know an Italian family by the name of Carramusa?

Mr. Di GIOVANNI. Yes.

Mr. WHITE. How long have you known the Carramusa family?

Mr. Di GIOVANNI. I have known them for a long time. They used to be in business here, the old man.

Mr. WHITE. What kind of business did he have?

Mr. Di GIOVANNI. He had a grocery store.

Mr. WHITE. Wasn't one of his young sons shot and killed at one time?

Mr. Di GIOVANNI. Yes, sir.

Mr. WHITE. Were you ever arrested in connection with that?

Mr. Di GIOVANNI. No, sir.

Mr. WHITE. Was your brother?

Mr. Di GIOVANNI. No, sir.

Mr. WHITE. Ever questioned by the police?

Mr. Di GIOVANNI. No, sir.

Mr. WHITE. Never even picked up?

Mr. Di GIOVANNI. No, sir.

Mr. WHITE. Was Carramusa a friend of yours?

Mr. Di GIOVANNI. I was a friend of Carramusa?

Mr. WHITE. Yes; were you a friend?

Mr. Di GIOVANNI. Yes; I used to go buy groceries from him.

Mr. WHITE. But you were never arrested or questioned by the police in any manner in connection with that murder?

Mr. Di GIOVANNI. No, sir.

The CHAIRMAN. Have you ever been arrested for anything?

Mr. Di GIOVANNI. No, sir.

The CHAIRMAN. Never been arrested in your life?

Mr. Di GIOVANNI. No, sir.

Mr. WHITE. Ever been picked up by the police for questioning on any charge?

Mr. Di GIOVANNI. No, sir.

Mr. WHITE. Any place?

Mr. Di GIOVANNI. No.

Mr. HALLEY. May I ask a question? How long have you been in the wholesale liquor business?

Mr. Di GIOVANNI. Since repeal.

Mr. HALLEY. Do you have partners?

Mr. Di GIOVANNI. My brother.

Mr. HALLEY. What is the name of your company?

Mr. Di GIOVANNI. Middle West Distributing Co.

Mr. HALLEY. Where do you buy your liquor?

Mr. Di GIOVANNI. From Seagram's distillery.

Mr. HALLEY. Do you have a distributorship for Seagram?

Mr. Di GIOVANNI. Certainly.

Mr. HALLEY. Exclusive territory?

Mr. Di GIOVANNI. We have Kansas City and Jackson County exclusive.

Mr. HALLEY. How long have you had that?

Mr. Di GIOVANNI. Oh, about 8 years.

Mr. HALLEY. Who did you talk to at Seagram's to get it?

Mr. Di GIOVANNI. I didn't talk to them. They came to me.

Mr. HALLEY. Who came to you?

Mr. Di GIOVANNI. Mr. Bill Tees.

Mr. HALLEY. How do you spell it, do you know?

Mr. Di GIOVANNI. No. Tees, of Seagram's.

Mr. HALLEY. Who else do you know at Seagram's?

Mr. Di GIOVANNI. I know Bob Tell, the assistant manager here in Missouri.

Mr. HALLEY. Did they come and offer it to you?

Mr. Di GIOVANNI. Yes.

Mr. HALLEY. You didn't ask for it?

Mr. Di GIOVANNI. No. What is wrong with that?

Mr. HALLEY. You tell me.

Mr. Di GIOVANNI. I don't see anything wrong. I am in business.

Mr. HALLEY. Had you been in the liquor business before that?

Mr. Di GIOVANNI. No, sir. I told you I had been in business since repeal.

Mr. HALLEY. What kind of business did you have between repeal until 8 years ago? What did you handle?

Mr. Di GIOVANNI. Eight years ago, I have been in the whisky business.

Mr. HALLEY. You have had Seagram's? What did you have before you had Seagram's?

Mr. Di GIOVANNI. I had Hiram Walker, I had National, I had Brown & Forman.

Mr. HALLEY. Did you ever have Canadian Ace beer?

Mr. Di GIOVANNI. No, sir; never handled beer.

Mr. HALLEY. No beer at all?

Mr. Di GIOVANNI. Never did.

Mr. HALLEY. That is all.

Mr. Di GIOVANNI. Thank you.

The CHAIRMAN. Thank you, that is all.

Mr. WHITE. Your brother is Pete Di Giovanni?

Mr. Di GIOVANNI. Yes, sir.

Senator TOBEY. Did you ever do any boxing?

Mr. Di GIOVANNI. Once in a while.

Senator TOBEY. Professionally?

Mr. Di GIOVANNI. Not professionally.

(Discussion off the record.)

(Witness excused.)

The CHAIRMAN. Who is next?

Mr. HALLEY. Shall we take Blando?

Mr. WHITE. We might as well get the other brother.

The CHAIRMAN. Come in here, Mr. Di Giovanni, right around over here. Hold up your right hand.

Do you solemnly swear that the testimony you will give this committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. PETER DI GIOVANNI. Yes, sir.

The CHAIRMAN. Sit down.

#### TESTIMONY OF PETER DI GIOVANNI, KANSAS CITY, MO.

Mr. WHITE. What is your full name, Mr. Di Giovanni?

Mr. Di GIOVANNI. Peter Di Giovanni.

Mr. WHITE. Where were you born, Mr. Di Giovanni?

Mr. Di GIOVANNI. Italy.

Mr. WHITE. When did you come to the United States?

Mr. Di GIOVANNI. 1903.

Mr. WHITE. Are you a naturalized citizen?

Mr. Di GIOVANNI. Yes, sir.

Mr. WHITE. When and where were you naturalized?

Mr. Di GIOVANNI. About 1924 or 1925. I don't remember exactly the year.

Mr. WHITE. In Kansas City?

Mr. Di GIOVANNI. Yes, sir.

Mr. WHITE. Have you ever been arrested for anything?

Mr. Di GIOVANNI. I was arrested for bootlegging.

Mr. WHITE. Yes. That is something, isn't it? When was that?

Mr. Di GIOVANNI. Well, during prohibition.

Mr. WHITE. Lots of times?

Mr. Di GIOVANNI. A couple of times.

Mr. WHITE. So many times you don't remember?

Mr. Di GIOVANNI. I never was convicted.

Mr. WHITE. They didn't convict you?

Mr. Di GIOVANNI. No, sir.

Mr. WHITE. What were you doing, running a still during prohibition?

Mr. Di GIOVANNI. I didn't have a still.

Mr. WHITE. Just a plain, ordinary bootlegger?

Mr. Di GIOVANNI. Plain bootlegger.

Mr. WHITE. How old are you, Mr. Di Giovanni?

Mr. Di GIOVANNI. Sixty-four.

Mr. WHITE. You are the eldest brother?

Mr. Di GIOVANNI. No. I got another older brother.

Mr. WHITE. Still older? Who is that?

Mr. Di GIOVANNI. Vincent Di Giovanni.

Mr. WHITE. What is his name?

Mr. Di GIOVANNI. Vincent.

Mr. WHITE. Vincent.

Were you ever arrested on suspicion of murder?

Mr. Di GIOVANNI. Me? No, sir.

Mr. WHITE. Were you ever picked up for questioning in connection with the murder of a boy named Carramusa?

Mr. Di GIOVANNI. Picked up myself?

Mr. WHITE. Yes.

Mr. Di GIOVANNI. What do you mean, pick-up?

Mr. WHITE. Did the police ever talk to you or pick you up or talk to you or arrest you on suspicion in the investigation of the murder of Carramusa?

Mr. Di GIOVANNI. Which one?

Mr. WHITE. You knew a Carramusa family here that was in the grocery business, didn't you?

Mr. Di GIOVANNI. Yes, sir.

Mr. WHITE. You know that there was a boy about 6 years old who was killed?

Mr. Di GIOVANNI. Yes, sir. I wasn't picked up.

Mr. WHITE. Were you picked up in connection with the investigation of the murder of Carl Carramusa in 1945 in Chicago?

Mr. Di GIOVANNI. Me? Chicago, 1945?

Mr. WHITE. No; the murder occurred in Chicago. Were you ever questioned in connection with that murder?

Mr. Di GIOVANNI. They came in my place one day and said, "I want to see you." They took me to the post office and asked if I know him. I said I do. I said, "How come you pick up me about this murder?" They said, "We are picking up everybody."

Mr. WHITE. You have known the Carramusa family for many, many years, haven't you?

Mr. Di GIOVANNI. Yes; I know them.

Mr. WHITE. You knew that Carl Carramusá, this boy that was killed in Chicago, had testified against the DeLuca brothers, didn't you?

Mr. Di GIOVANNI. I don't know anything about it.

Mr. WHITE. Didn't you read it in the paper?

Mr. Di GIOVANNI. I don't read no paper, because I didn't know how to read or write.

Mr. WHITE. Didn't you even discuss it with other Italian people?

Mr. Di GIOVANNI. I don't discuss the business that don't belong to me with anybody.

Mr. WHITE. You are in the liquor business now, is that correct?

Mr. Di GIOVANNI. Yes, sir.

Mr. WHITE. Just you and your brother Joe—

Mr. Di GIOVANNI. Yes.

Mr. WHITE. Are the partners?

Mr. Di GIOVANNI. Yes, sir.

Mr. WHITE. Any other partners?

Mr. Di GIOVANNI. No more.

Mr. WHITE. A 50-50 partnership?

Mr. Di GIOVANNI. That is right.

Mr. WHITE. Are you the manager of the place, or is he the manager?

Mr. Di GIOVANNI. My son.

Mr. WHITE. Do you have the Schenley distributorship?

Mr. Di GIOVANNI. No, sir. I got Seagram's.

Mr. WHITE. Gizzo has Schenley's distributorship?

Mr. Di GIOVANNI. I don't know who got it.

Mr. WHITE. Which one do you have?

Mr. Di GIOVANNI. Seagram's.

Mr. WHITE. Seagram's. Do you know what the Mafia is?

Mr. Di GIOVANNI. No, sir; I don't.

Mr. WHITE. Did you ever hear of it?

Mr. Di GIOVANNI. I hear talk about it, but I don't know what it is.

Mr. WHITE. Did you ever hear of it in Italy?

Mr. Di GIOVANNI. In Italy? I don't know what it is.

Mr. WHITE. Did you ever hear of the Black Hand?

Mr. Di GIOVANNI. I hear a lot of things, but I don't know what it means.

Mr. WHITE. You have no idea at all what it means?

Mr. Di GIOVANNI. No, sir.

Mr. WHITE. You don't know what the Black Hand meant?

Mr. Di GIOVANNI. I don't know what the Black Hand meant.

Mr. WHITE. Did you ever hear of that in Italy?

Mr. Di GIOVANNI. I hear it all over, wherever I go, but I don't know the meaning. Do you know?

Mr. WHITE. I am asking the questions.

When you were in Italy, did you hear it?

Mr. Di GIOVANNI. When I was in Italy?

Mr. WHITE. That is right.

Mr. Di GIOVANNI. No; I didn't hear no Black Hand when I was there.

Mr. WHITE. You didn't hear about it until you came to the United States?

Mr. Di GIOVANNI. That is right.

Mr. WHITE. When did you first hear about it?

Mr. Di GIOVANNI. Sir?

Mr. WHITE. When did you first hear about it?

Mr. Di GIOVANNI. How do I know? I couldn't tell you when I heard about it.

Mr. WHITE. You are not a member of the Black Hand?

Mr. Di GIOVANNI. Absolutely not.

Mr. WHITE. Are you a member of any Italian organization?

Mr. Di GIOVANNI. I don't belong to no organization.

Mr. WHITE. You are a Sicilian?

Mr. Di GIOVANNI. Sicilian; yes, sir.

Mr. WHITE. Do you belong to the Unione Siciliano?

Mr. Di GIOVANNI. I don't belong to no union.

Mr. WHITE. Did you ever belong to it?

Mr. Di GIOVANNI. Never have I belonged to any society.

Mr. WHITE. That is all.

The CHAIRMAN. That is all.

(Witness excused.)

The CHAIRMAN. Frank DeLuca.

Mr. DeLuca, will you hold up your right hand?

Do you solemnly swear that the testimony you will give this committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. FRANK DeLUCA. I do.

#### TESTIMONY OF FRANK S. DeLUCA, KANSAS CITY, MO.

Mr. WHITE. What is your full name?

Mr. DeLUCA. Frank DeLuca, Frank S. DeLuca.

Mr. WHITE. Where were you born, Mr. DeLuca, in what city?

Mr. DeLUCA. Palermo, in Italy, in Sicily.

Mr. WHITE. When did you come to the United States?

Mr. DeLUCA. 1923.

Mr. WHITE. Are you a naturalized citizen?

Mr. DeLUCA. Not yet.

Mr. WHITE. Did you ever apply for naturalization papers?

Mr. DeLUCA. That is right.

Mr. WHITE. When?

Mr. DeLUCA. Up in 1941 and in 1926.

Mr. WHITE. 1941 and in 1926?

Mr. DeLUCA. 1926, if I am not mistaken.

Mr. WHITE. You first applied in 1926?

Mr. DeLUCA. That is right.

Mr. WHITE. Why didn't you go through with your naturalization then?

Mr. DeLUCA. I went down there and was working on it, it was to be how to write and read English. I don't know how to write and read English.

Mr. WHITE. You don't know how to read and write English now, do you?

Mr. DeLUCA. No, sir.

Mr. WHITE. How are you going to be—

Mr. DeLUCA. I go to school now to learn the answers.

Mr. WHITE. Have you ever been convicted of a crime?

Mr. DeLUCA. No.

Mr. WHITE. Have you ever been in jail?

Mr. DeLUCA. Yes.

Mr. WHITE. For what?

Mr. DeLUCA. For what you call it, I can't think of it right now.

Mr. WHITE. Narcotics?

Mr. DeLUCA. No.

The CHAIRMAN. Bootlegging?

Mr. DeLUCA. I have never been in bootlegging. I went to the camp. I don't know what kind it was right now.

Mr. WHITE. What happened? What did you do that the officers arrested you?

Mr. DeLUCA. When I was arrested, my brother had a radio and a shotgun in the place.

Mr. WHITE. In other words, you were arrested for being an enemy alien during the war?

Mr. DeLUCA. That is right.

Mr. WHITE. What happened?

Mr. DeLUCA. I went to the camp.

Mr. WHITE. They put you in a concentration camp?

Mr. DeLUCA. Concentration camp, that is right.

Mr. WHITE. Are you still under bond on this charge?

Mr. DeLUCA. No, sir.

Mr. WHITE. How long did you stay in that camp?

Mr. DeLUCA. I don't know, about 5 or 6 months, I guess.

Mr. WHITE. During the war?

Mr. DeLUCA. That is right.

Mr. WHITE. Did you stay in all during the war?

Mr. DeLUCA. No.

Mr. WHITE. You got out on bond?

Mr. DeLUCA. I got out on bond, on parole.

Mr. WHITE. Have you been arrested for anything else?

Mr. DeLUCA. No, sir.

Mr. WHITE. Never?

Mr. DeLUCA. For anything after that?

Mr. WHITE. Before or after.

Mr. DeLUCA. Before, I was arrested for bootlegging.

Mr. WHITE. For bootlegging?

Mr. DeLUCA. That is right.

Mr. WHITE. Did you have a still?

Mr. DeLUCA. Me?

Mr. WHITE. Yes.

Mr. DeLUCA. No.

Mr. WHITE. Just an ordinary bootlegger?

Mr. DeLUCA. I didn't have a still. I just sold it.

Mr. WHITE. You just sold it?

Mr. DeLUCA. That is right.

Mr. WHITE. Did you ever hear of the Mafia?

Mr. DeLUCA. What?

Mr. WHITE. Did you ever hear of the Mafia?

Mr. DeLUCA. What is that?

Mr. WHITE. That is what I am asking you.

Mr. DeLUCA. I don't know anything about it. That is what I am asking you, what it is.

Mr. WHITE. Did you ever hear of the Unione Siciliano?

Mr. DeLUCA. Unione?

Mr. WHITE. Did you ever hear of the Unione Siciliano?

Mr. DeLUCA. I don't know what you mean, Unione.

Mr. WHITE. Did you ever hear of a club to which Sicilian people belonged?

Mr. DeLUCA. No.

Mr. WHITE. Do you belong to any kind of organization?

Mr. DeLUCA. No, sir.

Mr. WHITE. Did you ever?

Mr. DeLUCA. No, sir.

Mr. WHITE. What do you do for a living?

Mr. DeLUCA. We have a corporation.

Mr. WHITE. A liquor corporation?

Mr. DeLUCA. That is right.

Mr. WHITE. How much money have you got?

Mr. DeLUCA. How much money I got? I have some Government bonds, and I have some cash.

Mr. WHITE. How much cash have you?

Mr. DeLUCA. I don't know how much it is. It is in the bank.

Mr. WHITE. How much?

Mr. DeLUCA. I don't have my statement for this month.

Mr. WHITE. How much did you have last month, about how much?

Mr. DeLUCA. About how much? I have cash, about \$400 or \$500.

Mr. WHITE. Do you have any cash any place besides the bank?

Mr. DeLUCA. No.

Mr. WHITE. Do you have any money at home?

Mr. DeLUCA. No.

Mr. WHITE. How much money have you got in bonds?

Mr. DeLUCA. Let's see. I don't know, \$31,000 or \$32,000 in Treasury bonds. I have a few small bonds though, what do you call it, war bonds.

Mr. WHITE. How much are you worth altogether, Mr. DeLuca?

Mr. DeLUCA. I tell you the truth, I don't know. I have my income tax.

Mr. WHITE. Don't you have any idea how much you are worth?

Mr. DeLUCA. No, I don't know, Mr. White, because I don't know how much is in the corporation. We are taking inventory.

Mr. WHITE. Within a few thousand dollars?

Mr. DeLUCA. I don't know how much I am worth.

Mr. WHITE. Are you worth as much as \$50,000?

Mr. DeLUCA. Between the corporation and everything? I don't know. I can't say.

Mr. WHITE. That is all.

The CHAIRMAN. Anything else?

That is all.

(Witness excused.)

The CHAIRMAN. Who is next?

Mr. WHITE. John Blando.

The CHAIRMAN. Hold up your right hand.

Do you solemnly swear the testimony you will give this committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. BLANDO. I do.

## TESTIMONY OF JOHN B. BLANDO, KANSAS CITY, MO.

Mr. WHITE. What is your full name?

Mr. BLANDO. John B. Blando.

Mr. WHITE. How old are you, Mr. Blando?

Mr. BLANDO. Fifty-three years old.

Mr. WHITE. Where were you born?

Mr. BLANDO. In Italy.

Mr. WHITE. Are you naturalized?

Mr. BLANDO. Yes.

Mr. WHITE. When and where?

Mr. BLANDO. In this town here, 27 years ago—no, 23 years ago.

Mr. WHITE. What is your business?

Mr. BLANDO. Superior Wine and Liquor.

Mr. WHITE. Is this a retail—

Mr. BLANDO. Wholesale.

Mr. WHITE. What brands of liquor do you handle?

Mr. BLANDO. Schenley.

Mr. WHITE. Did you know a man by the name of Wolf Ryman?

Mr. BLANDO. Yes, sir.

Mr. WHITE. Did you ever have any discussions with him concerning Schenley liquors?

Mr. BLANDO. No, sir.

Mr. WHITE. Did you know that he was trying to get the Schenley distributorship?

Mr. BLANDO. No, I don't know that.

Mr. WHITE. Did anybody ever say anything like that to you?

Mr. BLANDO. No, sir.

Mr. WHITE. What was your business with Mr. Ryman?

Mr. BLANDO. I never had no business with Mr. Ryman.

Mr. WHITE. How did you happen to know him?

Mr. BLANDO. I used to see him down at the bank every day.

Mr. WHITE. How long have you had Schenley?

Mr. BLANDO. Thirteen years.

Mr. WHITE. Do you have an exclusive for this territory?

Mr. BLANDO. The Schenley's is three different lines. I got one line, Schenley. Schenley has Melrose and they got Three Feathers, another line.

Mr. WHITE. Have you ever been arrested, Mr. Blando?

Mr. BLANDO. Not that I know.

Mr. WHITE. You would know it if you had been, wouldn't you?

Mr. BLANDO. That is right.

Mr. WHITE. Were you ever arrested for bootlegging?

Mr. BLANDO. Not me, no.

Mr. WHITE. Picked up?

Mr. BLANDO. No, sir.

Mr. WHITE. You know that Mr. Ryman was killed recently?

Mr. BLANDO. Yes, sir.

Mr. WHITE. Have you any idea as to why he was killed?

Mr. BLANDO. No.

Mr. WHITE. Did you know Charles Binaggio?

Mr. BLANDO. Yes, sir.

Mr. WHITE. Were you a member of his club?

Mr. BLANDO. Yes, sir.

Mr. WHITE. Have you an explanation of why he might have been killed?

Mr. BLANDO. That is something that I don't know.

Mr. WHITE. Have you discussed it with anybody?

Mr. BLANDO. No, sir.

Mr. WHITE. Have you ever contributed any money to the club?

Mr. BLANDO. Yes, sir.

Mr. WHITE. How much did you contribute?

Mr. BLANDO. Oh, a couple of hundred dollars.

Mr. WHITE. When was the last time you contributed any?

Mr. BLANDO. The last election.

Mr. WHITE. That was \$200?

Mr. BLANDO. Yes, sir.

Mr. WHITE. Did you have any desire to see the chief of police changed?

Mr. BLANDO. Not me, no.

Mr. WHITE. Did Mr. Binaggio, that you know of?

Mr. BLANDO. Not that I know of.

Mr. WHITE. Do you belong to the Mafia?

Mr. BLANDO. What is the Mafia?

Mr. WHITE. I am asking you. Do you belong to anything called the Mafia?

Mr. BLANDO. I don't belong to nothing called Mafia; no, sir.

Mr. WHITE. Do you know what the Mafia is?

Mr. BLANDO. No, sir.

Mr. WHITE. Did you ever hear of it?

Mr. BLANDO. I read in the paper Mafia, but I don't even know what it is.

Mr. WHITE. Did you ever ask any other Italian people what it is?

Mr. BLANDO. No, sir.

Mr. WHITE. Are you a Sicilian?

Mr. BLANDO. Yes, sir.

Mr. WHITE. Did you ever hear of the Unione Siciliano?

Mr. BLANDO. I read in the paper.

Mr. WHITE. Aside from reading about it in the paper, you never heard of it?

Mr. BLANDO. I never heard of it.

Mr. WHITE. Do you belong to any organization composed exclusively of Italians?

Mr. BLANDO. No, sir.

Mr. WHITE. Do you belong to any secret organizations?

Mr. BLANDO. No, sir.

The CHAIRMAN. That is all, thank you, Mr. Blando.

Mr. BLANDO. Thank you.

The CHAIRMAN. What did you bring in that envelope?

Mr. BLANDO. They wanted the income tax.

The CHAIRMAN. How much do you make a year?

Mr. BLANDO. I say I make \$30,000, sometimes \$40,000, sometimes \$50,000.

The CHAIRMAN. Net?

Mr. BLANDO. No, not net. I have to pay my income tax. Maybe I have \$25,000 left?

The CHAIRMAN. All right.

(Witness excused.)

The CHAIRMAN. Call Mr. Cole.

Mr. Cole, come right around here on the other side. Raise your right hand.

Do you solemnly swear that the testimony you will give this committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. COLE. I do.

**TESTIMONY OF LLOYD S. COLE, REPUBLICAN COUNCILMAN,  
FIFTH MAGISTRATE DISTRICT**

Mr. WHITE. What is your full name, Mr. Cole?

Mr. COLE. Lloyd S. Cole.

Mr. WHITE. What is your position?

Mr. COLE. Republican councilman, fifth magistrate district.

Mr. WHITE. Do you have any law enforcement responsibilities?

Mr. COLE. Well, I haven't used any, only when the prosecutor calls on me or the judge issues a bench warrant, or something like that.

Mr. WHITE. What part of the city does the fifth magistrate district include?

Mr. COLE. It runs from Armour Boulevard to the city limits south, east side of Troost Avenue to the city limits east.

Mr. WHITE. Did you know Charles Binaggio?

Mr. COLE. Yes, sir.

Mr. WHITE. Did you have any understanding with him with respect to patronage?

Mr. COLE. No, sir.

Mr. WHITE. Did you ever ask Binaggio to appoint any relative of yours to official position?

Mr. COLE. If you will let me elaborate on that, I first had the Republican endorsement for Mrs. Cole, my wife, and at the time, when it came to find out whether she could get appointed or not, this fellow Binaggio was the head of the party, and of course, I asked him if he had any reasons that he would fight her to going on the board. He said no.

Mr. WHITE. Did you seek the Republican nomination for sheriff in 1948?

Mr. COLE. Yes, sir.

Mr. WHITE. Did you solicit campaign contributions from a man named Bud Tralle?

Mr. COLE. Yes. I don't know how much it was.

Mr. WHITE. Would it have been \$500?

Mr. COLE. No, sir.

Mr. WHITE. How much do you think it was?

Mr. COLE. I think it was about 25 or 50.

Mr. WHITE. Dollars?

Mr. COLE. Yes, sir.

Mr. WHITE. Do you know what business Tralle was in?

Mr. COLE. I have known Bud Tralle for about 30 years.

Mr. WHITE. Do you know what business he was in?

Mr. COLE. Yes. He was supposed to be in the policy games.

Mr. WHITE. In connection with your solicitation, was there any agreement that if you were elected you would give him the best of it?

Mr. COLE. No, sir.

Mr. WHITE. Who else did you solicit money from who were in the gambling business?

Mr. COLE. Personally, I don't think I solicited from anybody personally.

Mr. WHITE. Who solicited it for you?

Mr. COLE. Mr. Harper, you know, in my office, went out trying to get some money.

Mr. WHITE. How much did he get?

Mr. COLE. Not over \$100 or \$150.

Mr. WHITE. All told?

Mr. COLE. Yes, sir.

Mr. WHITE. Who did he get it from?

Mr. COLE. Well, I can't tell you that. I mean by that, I can tell you this much: I think he got \$5, I know, from a fellow out on Seventy-fifth Highway, the Sareno or El Reno Club, or something like that, out there. I think the rest of them were businessmen, lawyers.

Mr. WHITE. Isn't it a fact, Mr. Cole, that solicitations were made, with your knowledge, from many gamblers, and that you did receive sizable contributions from those people?

Mr. COLE. No, sir; I did not.

Mr. WHITE. Is it not also a fact that an implied agreement was made that if and when you were elected, they would get some contribution in connection with their gambling activities?

Mr. COLE. No, sir. And if you will allow me, let me tell you about that. I have fought the underworld here for some 35 years. I think everybody in town knows that I have fought that element. Whether you know it or not, they beat me up in 1934, and I have one kidney from that beating up. They shot me and the Star reporter at Ninth and Troost. I have never had any dealings with those people. It always has been my end, getting the worst of it.

Mr. WHITE. They have always been Democrats, haven't they?

Mr. COLE. That is right.

Mr. WHITE. That is the reason you haven't had any dealings with them, isn't it?

Mr. COLE. That is the reason. They always fight me, and I have to fight them, from the political angle.

The CHAIRMAN. How did you happen to get beaten up?

Mr. COLE. I have been beat up so many times, Senator, it is common knowledge. The newspapers and everybody knows it. I started out when I was a young kid in politics, and since 1916 I have been, you might say, beaten up by what I call gangsters.

The CHAIRMAN. How many times have you been beaten up?

Mr. COLE. About 15, I would say.

The CHAIRMAN. Do they catch you on the street and beat you up?

Mr. COLE. Yes, in the political campaigns, Senator, in the political campaigns when we have an election, that is when I would get it. The last time was in 1934 when I went out with young Barsov, of the Kansas City Star. Mr. Longan, of the Kansas City Star, called and asked if I would go with young Barsov. My family had received a threat over the phone if I was seen out they would kill me. Mr. Longan asked me if I would go, and he put it in such a way that I agreed to go. Thirty minutes later they had us shot up out at Ninth and Troost. Senator Proctor, who was the city counselor here, picked me up and one

of the candidates who was in the car with us, and took us out to the hospital. From those beatings previous to that that I took, I had that kidney operation, and it was removed from me.

The CHAIRMAN. Who beat you up? Who were they?

Mr. COLE. In the 1934 campaign.

The CHAIRMAN. Are any of them living around here now?

Mr. COLE. Yes; a few of them around, all from the Italian end of it.

Mr. GOLDSCHEIN. Who are they?

The CHAIRMAN. Tell us who they were.

Mr. COLE. I am trying to now.

Senator TOBEY. Did you recognize them when they beat you up?

Mr. COLE. No. Let's go back a little further. I think their name was the Gilmore twins, that beat me up down at Fifth and Delaware; and then in the 1916 election I was beaten up at Third and Grand by a fellow by the name of Noonan, a policeman. I think he is dead now.

Then I was attacked—this is all on election days—it seems that my party always sent me down to the North End on election days. I happened to be with a certain faction of the Republican Party. In other words, I am what is associated with the downtown group of the Republicans, the financial group, which Senator Kem, if you please, belongs to.

It seems as though, whether it was lack of judgment on my part or not, they always sent me, and I would go down. I was young, and they beat hell out of me. That is it.

In the 1934 election—and it is all on record—I asked the Star reporter not to make this trip when we found out what was going on. In other words, there was a lot of beating going on. He said, "Lloyd, they are not going to bother the Kansas City Star." I said, "That is what you think. These guys will bother anybody."

We took out from Ninth and Holmes, and we got to Eighth and Troost, and about five of these cars, with prostitutes and what have you in there, went in and did their voting, you see. He said, "Here is a good spot." We drove up, and they had already gone, you see. And they had an old man in there they had hit with a pistol up the side of his face and broke his jaw and everything else.

From there we started out and went down the boulevard and got to Eighth and Tracy. They went in there again. When they came out they had gone to Eighth and Troost. We sat across the street, and I said to Mr. Barsov, "For Christ's sake, when those guys come out don't follow them," because I saw what was happening. I thought I saw what was happening. I saw a couple of members from the police department—

Mr. GOLDSCHEIN. Did you see who hit you?

Mr. COLE. I am getting to that.

The CHAIRMAN. We have to get to the point. Who was it, anybody living around here now, in this gang?

Mr. COLE. I identified two or three of those boys at that time. I am trying to think who they were.

The CHAIRMAN. If you knew then, you would know now.

Mr. COLE. I am trying to think. One of them was Joe School. I think the other one was what they called Topeka Slim. I can't tell you the other one; I can't think of it.

The CHAIRMAN. Let us get back just a second to this Bud Tralle. You knew he was in the policy game?

Mr. COLE. Well, I could say yes and no. I knew Bud as a prize fighter.

The CHAIRMAN. But you thought he was in the policy game?

Mr. COLE. I would agree with you on that; yes. He gave it to me as a personal contribution.

The CHAIRMAN. If you had gotten elected sheriff, how would you have felt about arresting him?

Mr. COLE. I arrested Bud Tralle a lot of times. The records will show it.

The CHAIRMAN. You had already arrested him prior to that time?

Mr. COLE. Yes, for "pimping," and what have you.

The CHAIRMAN. And yet you took \$25 from him?

Mr. COLE. He offered it to me personally, he said.

The CHAIRMAN. How did you arrest him, as magistrate?

Mr. COLE. That was when I was on the police department years ago.

The CHAIRMAN. I do not understand that. You were running for sheriff and knew he was a law violator, and you took his money.

Mr. COLE. If I told you that he got it back, you probably wouldn't believe me.

The CHAIRMAN. Did you give it back to him?

Mr. COLE. Yes. The reason was that when we sat down and got to talking this thing over, we decided that we couldn't take it, and we gave it back to Bud.

The CHAIRMAN. How long afterward did that happen?

Mr. COLE. About a week or 10 days.

Mr. WHITE. He is dead now; isn't he?

Mr. COLE. Yes.

The CHAIRMAN. All right, that is all.

Senator TOBEY. What is a "pimp"?

Mr. COLE. That is a guy who lives off the proceeds of the woman; the prostitute.

(Witness excused.)

The CHAIRMAN. Who is next?

Mr. WHITE. Vincent Chiappetta.

The CHAIRMAN. Right over there, Mr. Chiappetta.

Do you solemnly swear the testimony you will give this committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. CHIAPPETTA. I do.

#### TESTIMONY OF VINCENT CHIAPPETTA, KANSAS CITY, MO.

The CHAIRMAN. Have a seat.

You brought a record pursuant to the subpoena. Let me see it.

Mr. WHITE. What is your full name?

Mr. CHIAPPETTA. Vincent Chiappetta.

Mr. WHITE. What is your business or occupation, Mr. Chiappetta?

Mr. CHIAPPETTA. I am in the office of the Superior Wine & Liquor Corp.

Mr. WHITE. Superior Wine & Liquor Corp.?

Mr. CHIAPPETTA. Yes, sir.

Mr. WHITE. You are associated with the DeLuca brothers?

Mr. CHIAPPETTA. Certainly not.

Mr. WHITE. Who are you associated with there?

Mr. CHIAPPETTA. John Blando.

Mr. WHITE. Who else?

Mr. CHIAPPETTA. And Vincent Di Giovanni.

Mr. WHITE. Have you any connection with the other two Di Giovanni boys?

Mr. CHIAPPETTA. No, sir.

Mr. WHITE. Is there any connection between their concern—what is it, the Mid-West—

Mr. CHIAPPETTA. Mid-West Distributing.

Mr. WHITE. And the Superior Co?

Mr. CHIAPPETTA. None whatsoever.

Mr. WHITE. Where were you born, Mr. Chiappetta?

Mr. CHIAPPETTA. Italy.

Mr. WHITE. When did you come to the United States?

Mr. CHIAPPETTA. 1905.

Mr. WHITE. Are you naturalized?

Mr. CHIAPPETTA. Yes, sir.

Mr. WHITE. When and where?

Mr. CHIAPPETTA. In the western district of Pennsylvania.

Mr. WHITE. When.

Mr. CHIAPPETTA. 1919, I believe.

Mr. WHITE. Are you a veteran of any war?

Mr. CHIAPPETTA. No, sir. I was exempted.

Mr. WHITE. Have you ever been arrested?

Mr. CHIAPPETTA. Not that I remember.

Mr. WHITE. If you had been arrested, you would remember it, wouldn't you?

Mr. CHIAPPETTA. That is right.

Mr. WHITE. Have you ever had your fingerprints taken?

Mr. CHIAPPETTA. No, sir.

Mr. WHITE. Not for any reason whatsoever?

Mr. CHIAPPETTA. No, sir.

Mr. WHITE. What business were you engaged in during the prohibition era?

Mr. CHIAPPETTA. I was in the grocery business.

Mr. WHITE. Were you ever in the liquor business during prohibition?

Mr. CHIAPPETTA. No, sir.

Mr. WHITE. How long have you been connected with the Superior Co.?

Mr. CHIAPPETTA. Since repeal.

Mr. WHITE. What were you doing immediately prior to that time?

Mr. CHIAPPETTA. Grocery business.

Mr. WHITE. What would you say your net worth is today, Mr. Chiappetta?

Mr. CHIAPPETTA. The records speak for themselves, I think; salary of \$20,000 a year.

Mr. WHITE. \$20,000 a year?

Mr. CHIAPPETTA. That is right.

Mr. WHITE. Are you a partner in the company?

Mr. CHIAPPETTA. Yes, sir.

Mr. WHITE. What percentage do you have?

Mr. CHIAPPETTA. Thirty percent.

Mr. WHITE. Do you draw a percentage of the profits in addition to your salary?

Mr. CHIAPPETTA. No. The salary is set.

The CHAIRMAN. That is one thing I want to ask here.

Mr. CHIAPPETTA. I don't have it, Senator. I had no summons. This morning when I read the name in the paper, volunteering myself, I gathered those things in a rush this morning.

The CHAIRMAN. In 1946, you had a net income of \$93,000; in 1945, about \$91,000.

Mr. CHIAPPETTA. There was a partnership then.

The CHAIRMAN. Then your income seems to have gone down since that time to around \$20,000 or \$22,000.

Mr. CHIAPPETTA. There was a partnership then. That is why it looks so big.

The CHAIRMAN. Is there not a partnership now?

Mr. CHIAPPETTA. No, sir. It is a corporation now.

The CHAIRMAN. How much do you make a year now?

Mr. CHIAPPETTA. \$20,000, and whatever dividends. We haven't made dividends for the last 4 years, I believe.

Mr. WHITE. How much stock do you hold in the corporation?

Mr. CHIAPPETTA. One-third.

Mr. WHITE. What is the total amount of stock worth? What is your stock worth?

Mr. CHIAPPETTA. You see, we started, first it was \$100,000 stock. Then we broke the corporation. Finally we incorporated once more, and we incorporated for \$50,000 each, which stock is \$150,000. In the meantime, we loaned the company another \$150,000, which equals the amount of \$300,000.

Mr. WHITE. You figure your stock is worth how much today?

Mr. CHIAPPETTA. I imagine \$100,000.

Mr. WHITE. Does it have a market value of that?

Mr. CHIAPPETTA. I imagine so. It should be better than that.

The CHAIRMAN. All right, anything else?

Mr. WHITE. Are you a member of the Mafia, Mr. Chiappetta?

Mr. CHIAPPETTA. I don't know a thing about it.

Mr. WHITE. Did you ever hear about it?

Mr. CHIAPPETTA. Well, in the press, in books, yes.

Mr. WHITE. From what province in Italy do you come?

Mr. CHIAPPETTA. Trapani.

Mr. WHITE. Where is that?

Mr. CHIAPPETTA. Sicily.

Mr. WHITE. But you are not a member of the Mafia?

Mr. CHIAPPETTA. Sir?

Mr. WHITE. You are not a member of the Mafia?

Mr. CHIAPPETTA. I don't know what it is.

Mr. WHITE. Are you a member of the Unione Siciliana?

Mr. CHIAPPETTA. No, sir.

Mr. WHITE. Do you know what that is?

Mr. CHIAPPETTA. No, sir.

Mr. WHITE. You never heard of it?

Mr. CHIAPPETTA. Well, in the press; yes.

Mr. WHITE. No other place?

Mr. CHIAPPETTA. No other place.

Mr. WHITE. That is all.

The CHAIRMAN. Thank you, sir. That is all.

(Witness excused.)

The CHAIRMAN. Call Paul Ferrantelli.

Have you been ill? Sit down right here.

Mr. FERRANTELLI. These are the books.

The CHAIRMAN. Will you stand up, now?

Do you solemnly swear that the testimony you will give this committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. FERRANTELLI. Yes, sir.

#### TESTIMONY OF PAUL FERRANTELLI, KANSAS CITY, MO.

Mr. WHITE. Do you speak English, Mr. Ferrantelli?

Mr. FERRANTELLI. Yes,

Mr. WHITE. Do you understand it well?

Mr. FERRANTELLI. Pretty good.

Mr. WHITE. Where were you born, Mr. Ferrantelli?

Mr. FERRANTELLI. Italy.

Mr. WHITE. How long have you been in the United States?

Mr. FERRANTELLI. About 15 years last May.

Mr. WHITE. Are you a naturalized citizen?

Mr. FERRANTELLI. Yes, sir.

Mr. WHITE. When and where were you naturalized?

Mr. FERRANTELLI. 1925.

Mr. WHITE. Where?

Mr. FERRANTELLI. Kansas City.

Mr. WHITE. What is your business, Mr. Ferrantelli?

Mr. FERRANTELLI. Nothing now. I have been sick for some time. I have a couple of pieces of property to take care of.

Mr. WHITE. How long since you have had a business?

Mr. FERRANTELLI. Since beer came back.

Mr. WHITE. You haven't had a business since beer came back—since prohibition?

Mr. FERRANTELLI. Yes.

Mr. WHITE. Do I understand that when beer came back you opened a saloon?

Mr. FERRANTELLI. Yes.

Mr. WHITE. How long did you have that saloon?

Mr. FERRANTELLI. I kept it about 2 or 3 years, I think.

Mr. WHITE. Have you had any business since then?

Mr. FERRANTELLI. No.

Mr. WHITE. How have you been living since then?

Mr. FERRANTELLI. I have a couple of pieces of property.

Mr. WHITE. Income property?

Mr. FERRANTELLI. Yes.

Mr. WHITE. What type of property, apartment houses?

Mr. FERRANTELLI. One apartment house and one a picture show.

Mr. WHITE. How much income do you get from those properties?

Mr. FERRANTELLI. Now?

Mr. WHITE. Yes.

Mr. FERRANTELLI. One place about \$870, and one place about \$430.

Mr. WHITE. A month?

Mr. FERRANTELLI. Yes.

Mr. WHITE. What did you do before you had the beer saloon?

Mr. FERRANTELLI. What did I do before beer saloon? Grocery business.

Mr. WHITE. Have you ever been arrested?

Mr. FERRANTELLI. No.

Mr. WHITE. Did you deal in liquor during prohibition time?

Mr. FERRANTELLI. No.

Mr. WHITE. A little bootlegging?

Mr. FERRANTELLI. No.

Mr. WHITE. Did you ever have your fingerprints taken?

Mr. FERRANTELLI. Me?

Mr. WHITE. Yes.

Mr. FERRANTELLI. I don't think so.

Mr. WHITE. But you never were arrested for selling liquor?

Mr. FERRANTELLI. No.

Mr. WHITE. Do you know what the Mafia is?

Mr. FERRANTELLI. Huh?

Mr. WHITE. Do you know what the Mafia is?

Mr. FERRANTELLI. No; I don't.

Mr. WHITE. You don't know what it is?

Mr. FERRANTELLI. No.

The CHAIRMAN. I do not believe he knows.

Mr. WHITE. That is all.

Mr. FERRANTELLI. When the United States had a depression, I worked for a dollar a day. I worked for 16 years in the coal mine. I am 73 years old the 27th of November.

Mr. WHITE. Thank you.

(Witness excused.)

The CHAIRMAN. Is there anybody else, George?

Mr. WHITE. That is all.

(Thereupon, at 6:45 p. m., the committee adjourned, subject to the call of the chair.)



# INVESTIGATION OF ORGANIZED CRIME IN INTERSTATE COMMERCE

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FRIDAY, SEPTEMBER 29, 1950

UNITED STATES SENATE,  
SPECIAL COMMITTEE TO INVESTIGATE ORGANIZED  
CRIME IN INTERSTATE COMMERCE,  
*Kansas City, Mo.*

EXECUTIVE SESSION

The committee met in executive session, pursuant to call of the chairman, at 10 p. m., in courtroom No. 1, Federal Building, Senator Estes Kefauver, chairman, presiding.

Present: Senator Kefauver.

Also present: Rudolph Halley, chief counsel; Alfred Klein, assistant counsel; and George White, committee investigator.

The CHAIRMAN. Do you solemnly swear the testimony you will give this committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. HUNDLEY. I do.

## TESTIMONY OF HARRY W. HUNDLEY, KANSAS CITY, MO.

Mr. HALLEY. What is your full name?

Mr. HUNDLEY. Harry W. Hundley.

Mr. HALLEY. And what is your address?

Mr. HUNDLEY. 1214 East Twenty-eighth.

Mr. HALLEY. What business are you in?

Mr. HUNDLEY. Well, I am in the tavern business. I am the general manager of Western Specialty Co.

Mr. HALLEY. What is the business of Western Specialty?

Mr. HUNDLEY. It is a juke-box company.

Mr. HALLEY. Does it have pinball machines?

Mr. HUNDLEY. Yes, sir.

Mr. HALLEY. Does it have any slot machines?

Mr. HUNDLEY. No, sir.

Mr. HALLEY. One-armed bandits?

Mr. HUNDLEY. No, sir.

The CHAIRMAN. These pinball machines, they return some money once in a while?

Mr. HUNDLEY. No.

The CHAIRMAN. Just play for amusement?

Mr. HUNDLEY. Yes, sir.

Mr. WHITE. Do you have juke boxes?

Mr. HUNDLEY. Yes.

Mr. WHITE. Any other form of coin-operated machine?

Mr. HUNDLEY. Just music boxes and pinball machines.

Mr. HALLEY. Where is the tavern located?

Mr. HUNDLEY. 2605 Chillum Road.

Mr. HALLEY. Is that in the county?

Mr. HUNDLEY. No, Fifteenth and Prospect, here in the city.

Mr. HALLEY. Right here in the city?

Mr. HUNDLEY. Yes.

Mr. HALLEY. How long have you had the tavern?

Mr. HUNDLEY. I bought that right at the first of the year.

Mr. HALLEY. Do you know Sheriff Purdome?

Mr. HUNDLEY. Yes, sir.

Mr. HALLEY. How long have you known him?

Mr. HUNDLEY. I have known Purdome—you mean personally, or of him?

Mr. HALLEY. First, how long have you actually known him personally?

Mr. HUNDLEY. I have known him personally about, oh, 3 years, I guess, close to it.

Mr. HALLEY. Have you ever been in any kind of business venture with Sheriff Purdome?

Mr. HUNDLEY. No, sir.

Mr. HALLEY. Did you know Wolf Riman?

Mr. HUNDLEY. Yes, sir.

Mr. HALLEY. How long did you know him?

Mr. HUNDLEY. I knew Wolf for 6, 7 years.

Mr. HALLEY. And were you ever in business with Riman?

Mr. HUNDLEY. You mean in partnership with him?

Mr. HALLEY. Any business at all.

Mr. HUNDLEY. I worked for him.

Mr. HALLEY. You worked for him?

Mr. HUNDLEY. I worked for him, yes.

Mr. HALLEY. In what business?

Mr. HUNDLEY. Western Speciality music box business.

Mr. HALLEY. Music box business?

Mr. HUNDLEY. Yes.

Mr. HALLEY. Is that the same company you work for now?

Mr. HUNDLEY. Yes.

Mr. HALLEY. Who owns it now?

Mr. HUNDLEY. Well, it was owned by Wolf Riman. He got killed and his wife is administratrix of it now.

Mr. HALLEY. Is Purdome connected with it in any way now?

Mr. HUNDLEY. You mean officially?

Mr. HALLEY. Well, in any way at all.

Mr. HUNDLEY. No, sir, not that I know of.

Mr. HALLEY. Do you ever see him around there?

Mr. HUNDLEY. Yes, sir.

Mr. HALLEY. How often?

Mr. HUNDLEY. Oh, it varies. I am in and out of the office. I see Purdome, I would say, three, four times a week.

Mr. HALLEY. What does he do there?

Mr. HUNDLEY. Oh, he just comes in, usually to pick up Mrs. Riman.

Mr. HALLEY. Is she active in the business?

Mr. HUNDLEY. Yes, sir. She comes down usually every day.

Mr. HALLEY. What do you do, rent these juke boxes and pinball machines out to various places?

Mr. HUNDLEY. Yes, sir, on percentage.

Mr. HALLEY. What percentage do you get?

Mr. HUNDLEY. 50-50.

Mr. HALLEY. 50-50?

Mr. HUNDLEY. Yes.

Mr. HALLEY. Who does the collecting?

Mr. HUNDLEY. Well, I have three collectors.

Mr. HALLEY. And do you supervise the collectors?

Mr. HUNDLEY. Yes.

Mr. HALLEY. How many pinball machines do you have?

Mr. HUNDLEY. Well, offhand, I would say we have probably 145-50 on location.

Mr. HALLEY. Where are they, spread out in the county and the city?

Mr. HUNDLEY. Yes, county, Jackson County, Kansas City, Kansas City, Kans.

Mr. HALLEY. And do the police frown upon pinball machines here at all?

Mr. HUNDLEY. No, sir, not on this kind.

Mr. HALLEY. What type is it?

Mr. HUNDLEY. Five ball.

Mr. HALLEY. And how many juke boxes do you have?

Mr. HUNDLEY. I have approximately 135 on location.

Mr. HALLEY. Are they also leased on a 50-50 basis?

Mr. HUNDLEY. Yes.

Mr. HALLEY. Does your company own these machines or do you lease them from someone else?

Mr. HUNDLEY. They are owned by the Western Specialty Co.

Mr. HALLEY. From whom do you buy pinball machines?

Mr. HUNDLEY. We buy them from various distributors. I buy from W-B Consolidated, Karl Hoelzel, United Amusement Co.

Mr. HALLEY. Have you ever heard of the Plaza Amusement Co.

Mr. HUNDLEY. Who?

Mr. HALLEY. Plaza Amusement Co.

Mr. HUNDLEY. Plaza?

Mr. HALLEY. Yes.

Mr. HUNDLEY. No.

Mr. HALLEY. Plaza Novelty Co. They are located in St. Louis.

Mr. HUNDLEY. No; I have never done any business with them.

Mr. HALLEY. Do you do any business at all in St. Louis?

Mr. HUNDLEY. No.

Mr. HALLEY. Do you have any slot machines at all, "one-armed bandits"?

Mr. HUNDLEY. No, sir.

Mr. HALLEY. None whatsoever?

Mr. HUNDLEY. No, sir.

Mr. HALLEY. Did your company ever have them?

Mr. HUNDLEY. Yes, sir.

Mr. HALLEY. When did you last have them?

Mr. HUNDLEY. When Riman got killed.

Mr. HALLEY. You mean you did handle slot machines up to the time Riman was killed?

Mr. HUNDLEY. We had three or four at the time he, or just before he got killed. He pulled them in.

Mr. HALLEY. Were you just getting into it?

Mr. HUNDLEY. No; we had had these for, oh, I guess a year and a half before Riman got killed that I knew of, that is about as long as I was working.

Mr. HALLEY. Did you also lease them out on a 50-50 basis?

Mr. HUNDLEY. Yes.

Mr. HALLEY. Where did you have the slot machines?

Mr. HUNDLEY. Wyandotte County.

Mr. HALLEY. Where were they located?

Mr. HUNDLEY. Wyandotte County.

Mr. HALLEY. In taverns?

Mr. HUNDLEY. Yes, sir.

Mr. HALLEY. Why did you pull them in?

Mr. HUNDLEY. A new sheriff went in over there.

Mr. HALLEY. He didn't like them?

Mr. HUNDLEY. No.

Mr. WHITE. You had some in the Hillcrest, too; didn't you?

Mr. HUNDLEY. Yes; there were some at Hillcrest.

Mr. WHITE. How many?

Mr. HUNDLEY. Oh, I imagine three or four out there, but they weren't owned by the Western Specialty Co., in fact, none of these now—maybe I got that wrong—none of these slot machines was owned by the Western Specialty Co. They was Riman's sole enterprise himself.

Mr. HALLEY. Who else has an interest in Western Specialty besides Riman?

Mr. HUNDLEY. Nobody to my knowledge.

Mr. HALLEY. What is Hillcrest? Is that a club?

Mr. HUNDLEY. Yes, sir; a country club.

Mr. HALLEY. And he had some machines out there, slot machines?

Mr. HUNDLEY. Yes, sir; Rimant lived at Hillcrest Country Club.

Mr. HALLEY. Are they still there?

Mr. HUNDLEY. I haven't been to Hillcrest Country Club in a year.

Mr. HALLEY. Do you know whether Mrs. Rimant derives any income from slot machines at Hillcrest?

Mr. HUNDLEY. Not to my knowledge.

Mr. WHITE. What county is Hillcrest in?

Mr. HUNDLEY. Jackson. It is Eighty-third and Topping, just outside.

Mr. HALLEY. Before Rimant was killed, was he negotiating for a liquor distributorship?

Mr. HUNDLEY. Yes, sir.

Mr. HALLEY. With whom was he negotiating?

Mr. HUNDLEY. I understand that it was with the Schenley people.

Mr. HALLEY. Schenley people?

Mr. HUNDLEY. Yes, sir.

Mr. HALLEY. And did he have a company that was negotiating, was he doing it on his own?

Mr. HUNDLEY. Well, he was—there was a Western Wholesale Liquor Co. formed.

Mr. HALLEY. Is that the company that you had an interest in?

Mr. HUNDLEY. I have no interest myself.

Mr. HALLEY. Did you work for it?

Mr. HUNDLEY. I work for the Western Specialty.

Mr. HALLEY. The Western Wholesale Liquor Co.—who had an interest in it; do you know?

Mr. HUNDLEY. Well, I couldn't say definitely who had it, except from what I heard people say.

Mr. HALLEY. Give the committee your best estimate.

Mr. HUNDLEY. Marty Grimm, Francis Roach, Fred Nelson, Charlie Bambach, Riman.

Mr. HALLEY. Did Pudome have an interest?

Mr. HUNDLEY. I have heard it rumored that he did. I couldn't say that he did.

Mr. HALLEY. Riman went east to get the Schenley distributorship; is that right?

Mr. HUNDLEY. Yes, sir.

Mr. HALLEY. And do you know when he came back from the East whether he had gotten it?

Mr. HUNDLEY. Yes, sir.

Mr. HALLEY. How long was that before Riman was killed?

Mr. HUNDLEY. I believe approximately 2 months.

Mr. HALLEY. And up to the time he was killed, was Western Wholesale handling Schenley or had the deal not gone through?

Mr. HUNDLEY. Yes; they had some merchandise.

Mr. HALLEY. They had some merchandise?

Mr. HUNDLEY. Yes.

Mr. HALLEY. What happened after Riman was killed?

Mr. HUNDLEY. You mean to the Western Wholesale Liquor?

Mr. HALLEY. Yes.

Mr. HUNDLEY. They closed it up.

Mr. HALLEY. The other partners didn't attempt to run it?

Mr. HUNDLEY. No, sir.

Mr. HALLEY. And they gave back the Schenley franchise?

Mr. HUNDLEY. Well, I think they had to give it up when they couldn't—

Mr. WHITE. Didn't Sheriff Purdome have a \$10,000 interest in the Western Wholesale Liquor Co.?

Mr. HUNDLEY. I don't know. I never seen the books in my life.

Mr. WHITE. You were told that he had?

Mr. HUNDLEY. I have heard it rumored; yes, sir.

Mr. WHITE. What is the relationship between Sheriff Purdome and the widow of Wolf Riman?

Mr. HUNDLEY. Well, they go together, if that is what you mean.

Mr. WHITE. Are they married?

Mr. HUNDLEY. I don't know, sir.

Mr. WHITE. Are they living in the same house?

Mr. HUNDLEY. That I don't know either.

Mr. WHITE. Did you ever have occasion to call Sheriff Purdome after working hours?

Mr. HUNDLEY. No, sir.

Mr. WHITE. Do you know a deputy sheriff named Jack Brice?

Mr. HUNDLEY. Yes, sir.

Mr. WHITE. Do you know a deputy sheriff named Delahanty?

Mr. HUNDLEY. Yes, sir.

Mr. WHITE. What is his first name?

Mr. HUNDLEY. I don't know Delahanty's first name.

Mr. WHITE. And they are both deputies of Sheriff Purdome?

Mr. HUNDLEY. Yes, sir.

Mr. WHITE. In the course of this slot-machine business—it is a highly competitive business—is it not?—the coin-machine business?

Mr. HUNDLEY. Yes, sir.

Mr. WHITE. And there is some difficulty in placing these machines in taverns from time to time for that reason; is that not true?

Mr. HUNDLEY. Well, yes, locations are difficult to get.

Mr. WHITE. Is it or is it not a fact that the Western Novelty Co. for which you work—

Mr. HUNDLEY. Specialty Co.

Mr. WHITE. Gets some assistances in the placing of these machines by the aid of the sheriff and his deputies?

Mr. HUNDLEY. Yes; I have received help from the sheriff.

The CHAIRMAN. I did not understand your answer.

Mr. HUNDLEY. Yes, sir; I received help from the sheriff's office.

Mr. WHITE. Would you explain to us just how that comes about and how that is done?

Mr. HUNDLEY. Well, I will get—up till Riman got killed, he handled the county part of it—now, if I get a call once in a while from the deputy sheriff, he tells me to if I will see so-and-so, that they are not satisfied with the music company they have had.

Mr. WHITE. I didn't understand that. You get a call from a deputy sheriff who will say what?

Mr. HUNDLEY. He may tell me that there is a certain spot in the county that is dissatisfied with the music company they have got.

Mr. WHITE. Actually what does that mean?

Mr. HUNDLEY. Well, I follow up, go talk to the man.

Mr. WHITE. It means that he is dissatisfied because, unless he followed the sheriff's suggestion, he would not be in the saloon business any more; would he?

Mr. HUNDLEY. Well, I could not answer that, because—

The CHAIRMAN. How many times has that happened? Is it a regular thing, every so often?

Mr. HUNDLEY. Oh, it has happened to me, I would say, two or three times.

Mr. WHITE. How many taverns are there in the county?

Mr. HUNDLEY. Well, now, I can't answer that. I can figure quick in my mind just about the location of them. I am familiar with the county.

Mr. WHITE. Make a guess.

Mr. HUNDLEY. I would say there is 40, maybe 50.

Mr. WHITE. And they all have machines of one kind or another; do they not?

Mr. HUNDLEY. Yes.

Mr. WHITE. What percentage of the taverns have machines owned and operated by the Western Specialty Co.?

Mr. HUNDLEY. Well, I would say we have got 75 percent of the county.

Mr. WHITE. How many companies are there making machines?

Mr. HUNDLEY. You mean that leases them out like we do?

Mr. WHITE. How many competitors do you have in this area?

Mr. HUNDLEY. Approximately 30.

Mr. WHITE. But still you are able to get 75 percent, at least 75 percent of the machine business in the county area?

Mr. HUNDLEY. That would be my guess; we have got 75 percent of the county.

The CHAIRMAN. How many machines, music machines, do you have out?

Mr. HUNDLEY. Altogether?

The CHAIRMAN. Yes.

Mr. HUNDLEY. Approximately 140, 135, or 140.

The CHAIRMAN. In the county, I mean.

Mr. HUNDLEY. Well—

The CHAIRMAN. Most of them are in the county; are they?

Mr. HUNDLEY. No, no, no. I have approximately 30 in Wyandotte County, or Kansas City, Kans., that is Wyandotte County, and I expect we have got 25, 26 machines in Jackson County.

The CHAIRMAN. What is this system about some deputy sheriff calls and says they are dissatisfied with the music machine, music service—does that also apply to pinball machines?

Mr. HUNDLEY. Well, usually if we set a music box, we usually set a pinball machine at the same time.

Mr. WHITE. It is a package deal, isn't it. You are either in the saloon or out of it, isn't that the way it works?

Mr. HUNDLEY. Well, yes, we have either got both or we don't set either one, that is right, although I will set music without a pinball or I will set a pinball without music. I have got both kinds of spots.

Mr. WHITE. Tell me, you were formerly a Kansas City policeman, were you not?

Mr. HUNDLEY. Yes.

Mr. WHITE. How long were you a police officer?

Mr. HUNDLEY. I guess about 4 years, something like that.

Mr. WHITE. What period was that?

Mr. HUNDLEY. 1943 to the latter part of 1946.

Mr. WHITE. Did you resign voluntarily?

Mr. HUNDLEY. Yes, sir.

Mr. WHITE. No charges against you?

Mr. HUNDLEY. No, sir.

Mr. WHITE. What was your rank when you resigned?

Mr. HUNDLEY. Class A patrolman.

Mr. WHITE. In Jackson County, in particular, what are the liquor laws with respect to taverns?

Mr. HUNDLEY. Well, they have the same closing laws now that we have in the city here. Of course, there is no liquor served by the drink in the county. There is no law for that.

Mr. WHITE. In other words, it is not permissible to serve drinks over a bar or at tables in the county area?

Mr. HUNDLEY. That is right.

Mr. WHITE. And also the tavern is not allowed to open up after 1:30?

Mr. HUNDLEY. That is the law, of course, the county has always been open late.

Mr. WHITE. Nevertheless, that is the law?

Mr. HUNDLEY. That is my understanding.

Mr. WHITE. In addition, no tavern is allowed to be open on Sunday?

Mr. HUNDLEY. They can if they have got a 3.2 beer license.

Mr. WHITE. They can't sell liquor at any rate.

Mr. HUNDLEY. No, no.

Mr. WHITE. So that—

Mr. HUNDLEY. Liquor is not even allowed to be on the premises if you come down to the law on it.

Mr. WHITE. In these taverns in which you have your machines in Jackson County, how many of those taverns sell liquor by the drink?

Mr. HUNDLEY. That I don't know, sir. I very seldom go to the county.

Mr. WHITE. Well, how many of them open after hours?

Mr. HUNDLEY. Well, I think every spot in the county is open after hours, sir.

Mr. WHITE. Every spot in the county also serves liquor by the drink, too, don't they?

Mr. HUNDLEY. Now, I don't know.

Mr. WHITE. Isn't that common knowledge?

Mr. HUNDLEY. Well, it is common talk, yes, sir; that county is open.

Mr. WHITE. Furthermore, that the business in the county starts booming after 1 o'clock?

Mr. HUNDLEY. After the taverns in town close, then the county gets the business; yes, sir.

Mr. WHITE. And on Sundays, when there is no liquor available at all.

Mr. HUNDLEY. In the city, why, you go to the county, people do.

Mr. WHITE. They make a heavy play on Sunday in the county?

Mr. HUNDLEY. That is right.

Mr. WHITE. So that if the sheriff decided that a particular tavern was violating the liquor laws, they would not be able to operate in competition with other taverns that do operate in violation of the law; isn't that correct?

Mr. HUNDLEY. If the county was run absolutely according to law, they would all have to close up in the county. They could not survive; that is true.

Mr. WHITE. Isn't this the situation, Mr. Hundley. I know of course that you don't patrol these taverns and can't tell me exactly what goes on—

Mr. HUNDLEY. Very seldom do I ever go to the county. Now, you will find that is the truth.

Mr. WHITE. You are in the slot-machine or coin-machine business.

Mr. HUNDLEY. Yes.

Mr. WHITE. You are an ex-policeman and a man of some experience around here, and you surely know what goes on. Now, isn't it a fact that the reason that you have 75 percent of the locations in the county, in Jackson County, is that if those people didn't take your machines, they would not sell whisky?

Mr. HUNDLEY. Well, you will find some of our locations was gotten through Riman's loan power, the money he loaned. I can show you one of the finest and biggest spots in the county that owes us money.

Mr. WHITE. Whether or not they owe you money, if they did not have your machines, they could not sell whiskey, could they? That is the sum and substance of it?

Mr. HUNDLEY. Well, yes, I would not say that. I have never had a spot in the county closed in my life that was selling whisky be-

cause they didn't have our machines. One of the biggest spots in this country does not have our machines, and never did have them in that the man hated Riman's guts and he never would put in his machine.

Mr. WHITE. Which one is that?

Mr. HUNDLEY. That is the Playhouse.

Mr. WHITE. Marcella?

Mr. HUNDLEY. Bully Rich and Manzel.

Mr. WHITE. Mancello or Manzello?

Mr. HUNDLEY. I believe it is Manzello. His brother has got the cab business here.

Mr. WHITE. He is quite a hoodlum in his own right, isn't he?

Mr. HUNDLEY. Well, he is classed as a hoodlum, I would say, yes, sir.

Mr. WHITE. He does not have to take much lip off of sheriffs or anybody else.

Mr. HUNDLEY. That is right; he runs his own business. There was quite a controversy over Rimam going out with the sheriff's badge and starting trouble, I will agree with you, but to this day he does not have our machines.

Mr. WHITE. Who are the two, who are the deputies, if you know, that are most active in persuading the tavern owners that they have their own type of machine, and that they need a new type of service?

Mr. HUNDLEY. Well, I have had more calls—I guess the only calls I have had is from Heffner and Donovan.

Mr. WHITE. Heffner and Donovan?

Mr. HUNDLEY. Yes, sir.

Mr. WHITE. Do Brice and Delahanty bother with that level of enforcement?

Mr. HUNDLEY. No; I never got a call from either one of them in my life.

Mr. WHITE. What is their function in the sheriff's set-up in the county, aside from their law enforcement duties?

Mr. HUNDLEY. Well, I was at a liquor hearing one time when I was a police officer at Jefferson City, at a case we had down there, and the sheriff's office had one down there and I heard Delahanty get up and say that he was—we all laughed—he said that he was the superintendent of the homicidal division of the Jackson County sheriff's office. Well, up to that time none of us, the police officers, knew there was a homicidal division of it. So I see him once in a while over in the courthouse, speak to him, that is all I have to do with him.

Mr. WHITE. Have you ever had any conversations with Sheriff Purdome in which he gave you directions as to the operation of the business in which you are now engaged?

Mr. HUNDLEY. No, sir. You mean has he ever told me how to run Western Specialty Co.?

Mr. WHITE. Has he ever told you to go here or go there or to tell you to buy some more machines or to get rid of some of the machines, or anything of that sort?

Mr. HUNDLEY. No; he has not.

Mr. WHITE. Never said anything which indicated he had any operational function or direction of the company at all?

Mr. HUNDLEY. No, sir.

Mr. WHITE. You are sure of that?

Mr. HUNDLEY. Yes, sir.

Mr. WHITE. And Sheriff Purdome, has he ever paid you any money for any purpose?

Mr. HUNDLEY. No, sir.

Mr. WHITE. Has Sheriff Purdome ever given you a check, ever given any money into your hands for any purpose in any shape, or form, check or otherwise?

Mr. HUNDLEY. No, sir.

The CHAIRMAN. Let me ask you this: How is this arrangement made about so that these two officers would call in once in a while and tell you somebody is dissatisfied with their music. Was that made by Sheriff Purdome? Did you discuss the matter with him?

Mr. HUNDLEY. No; not with Purdome, I didn't. Up until the time that Riman got killed, the deputies drew the salaries. That come out from the grand jury. They found the canceled checks.

The CHAIRMAN. These same deputies?

Mr. HUNDLEY. Yes.

The CHAIRMAN. How much were they paid?

Mr. HUNDLEY. I turned them over to the trustee and he took them to the grand jury. I think they varied, sir, different amounts. I remember seeing one for I believe for \$90 a month, or something like that.

The CHAIRMAN. Then after Rimam got killed, why, you quit paying them checks.

Mr. HUNDLEY. I have paid none since.

Mr. WHITE. Is Mrs. Rimam paying them?

Mr. HUNDLEY. Not to my knowldege.

Mr. WHITE. They are still on the payroll, aren't they?

(No response.)

Mr. WHITE. This is an executive session. We could have embarrassed you, one thing and another. We don't want to do that. We are not trying to hurt you. We are looking for information.

Mr. HUNDLEY. I know you are. I am caught in something that I have done nothing myself. I work every day. I open the place every morning. I have got a wife and mother and three children.

Mr. WHITE. What was this check that the grand jury extracted from you?

Mr. HUNDLEY. You mean the checks that they subpennaed in?

Mr. WHITE. Yes.

Mr. HUNDLEY. It was checks that was money went to the deputy sheriffs before Rimam was killed.

Mr. WHITE. What was your part in it, how did you happen to have the checks?

Mr. HUNDLEY. I was managing Western Specialty Co., and they called and wanted the checks and I took the girl and got the checks out and give them to Mr. Cannon, who took them to the grand jury.

Mr. WHITE. How many deputies were on that payroll?

Mr. HUNDLEY. I believe there was four. Now, understand, I got the checks out, dug out before I had time to use my nose trouble to see for sure what it was. They was picked up and taken down there.

Mr. WHITE. The grand jury still have them?

Mr. HUNDLEY. I don't know whether they have been returned or not, whether Mr. Cannon has got them. That I can't answer. I personally have not picked them up or have them back in my possession.

Mr. WHITE. That is the county grand jury?

Mr. HUNDLEY. The first one.

Mr. WHITE. How long ago was that?

Mr. HUNDLEY. That was called right after Riman was killed. He got killed in March and I believe that grand jury was called in April.

Mr. WHITE. Were any indictments returned?

Mr. HUNDLEY. From that grand jury, I don't believe there were; no, sir.

Mr. WHITE. Were there any checks made payable to Purdome?

Mr. HUNDLEY. No, sir; not that I seen.

Mr. WHITE. Did you ever see any evidence there at all that Purdome was receiving any money from this company?

Mr. HUNDLEY. No, sir.

Mr. WHITE. Did you ever hear any conversations to the effect that he was receiving any money from this company?

Mr. HUNDLEY. No, sir.

Mr. WHITE. As a matter of fact, Purdome had a \$10,000 interest in that Western Wholesale Liquor, hadn't he?

Mr. HUNDLEY. That was the rumor, I have never seen the books of the corporation of the Western Wholesale Liquor.

Mr. WHITE. The same owners of the Western Wholesale as of the Western Specialty?

Mr. HUNDLEY. No, no. Grimm, Roach or them had no connection with the music company.

Mr. WHITE. That Western Wholesale Liquor is now dissolved completely?

Mr. HUNDLEY. Closed right up after Riman got killed.

Mr. WHITE. The stock was sold?

Mr. HUNDLEY. They had a little stock in the warehouse. I understand that they delivered it. My only connections—so you will understand and don't think I am messing you around—my only connections with the Western Wholesale Liquor Co. was prior to the day that it opened its doors, that before that was the Scotch Theater Bar, which was owned by Riman; it had a hotel upstairs with approximately 13 rooms, a little colored hotel the woman run for him, and my job was to get those people out of that building so they could start renovating down there, and we had a record shop on the corner and a little colored restaurant was in the front part of the building, which had to be moved, because the whole front of the building was replaced, in order to make a bonded warehouse out of it.

Mr. WHITE. Do you remember, Mr. Hundley, about a week ago that I came into Mr. Jack Cannon's office, an attorney, and you were there, and I had a conversation with Mr. Cannon about Mr. Rimany's liquor business?

Mr. HUNDLEY. Yes, sir; I remember that.

Mr. WHITE. And do you remember my asking some questions of Mr. Cannon in your presence about the value of the Schenley franchise?

Mr. HUNDLEY. Yes, sir.

Mr. WHITE. And do you remember telling me that if Rimany had not been killed he would have put every other wholesaler out of business in a year's time?

Mr. HUNDLEY. I don't know whether I phrased it that he would put out of business in a year's time, but with the Schenley line, which we all know with Seagram is the two finest lines there is, Rimani definitely would have controlled the wholesale liquor business in this town.

Mr. WHITE. And the fact, in addition to having these very fine lines, the fact that he was a very close friend or partner for that matter of the sheriff, might have had some bearing on the matter, so far as the county business was concerned; would it not?

Mr. HUNDLEY. Well, you know you can't buy whisky in the county and get it delivered; you have to get it through a retail license here in town. In other words, if you own a tavern in the county, you have either to have the connection or interest in a tavern in order that whisky be delivered according to the law.

Mr. WHITE. Rimani had such a tavern in town; did he not? He had several?

Mr. HUNDLEY. Yes.

Mr. WHITE. He had the machinery.

Mr. HUNDLEY. He didn't own several taverns; he was in on one or two that I know of here in town, but he had money loaned in enough taverns here in town that he had levers to get all of the whisky he wanted just like he did for Hillcrest; yes, sir.

Mr. WHITE. That is all I have.

Mr. HALLEY. Where did he make his money originally; that is, Rimani?

Mr. HUNDLEY. Rimani began to begin to be an operator when I met him in 1944, when I was a policeman.

Mr. HALLEY. Did he have money then?

Mr. HUNDLEY. He had some money; yes, I don't know how much. During the war Rimani made a lot of money.

Mr. HALLEY. Was he a native of Kansas City?

Mr. HUNDLEY. Yes; he come right from Milburn Golf Course when a young fellow. When they got married—they got a boy 21—they both worked over there. She was the cook, and Rimani was a young pro over there.

Mr. HALLEY. Thank you.

Mr. WHITE. Did I hear you say earlier that there had been several reports of Rimani himself using his powers as an honorary deputy sheriff to go out and persuade tavern owners they were using the wrong kind of whisky or slot machines?

Mr. HUNDLEY. You mean music boxes?

Mr. WHITE. Music boxes.

Mr. HUNDLEY. Yes, sir; that has happened.

Mr. WHITE. That is pretty common knowledge?

Mr. HUNDLEY. If you knew Rimani, you would have understood him. He was a brag, and my friends, don't get me wrong, no disrespect, but Rimani did talk too much; there is no getting around it.

Mr. WHITE. And that was pretty common talk about throughout the county—wasn't it?—that he was Purdome's friend and deputy?

Mr. HUNDLEY. That is right. There was an incident that come out at the Playhouse where he throwed his badge down and would close the place up if Mike did not put in his music boxes. He told him he wouldn't do a damn thing until he did. We have to this day never had a music box in there.

The CHAIRMAN. Was he a deputy sheriff?

Mr. HUNDLEY. Yes.

Mr. WHITE. He had a red light and siren on his automobile?

Mr. HUNDLEY. The car he got killed in.

The CHAIRMAN. How did he get killed?

Mr. HUNDLEY. He got shot in the back, Fourteenth and Chestnut.

The CHAIRMAN. Ever found the fellow who shot him?

Mr. HUNDLEY. No.

The CHAIRMAN. One of those unsolved murders.

Mr. HUNDLEY. Another one of Kansas City's unsolved murders.

The CHAIRMAN. It was brought out in the State grand jury that these four fellows that were on the payroll of the Specialty Co., are they still on the payroll?

Mr. HUNDLEY. Not to my knowledge; no, sir.

The CHAIRMAN. Who handles the payroll? Do you?

Mr. HUNDLEY. No, sir; I do not. Mrs. Riman handles that.

The CHAIRMAN. Would you know whether they were on the payroll or not?

Mr. HUNDLEY. I have a statement here in my pocket by chance I got from the auditor, and their salaries are not definitely included in these.

The CHAIRMAN. They are still doing the same thing for you now that they did before?

Mr. HUNDLEY. We very seldom get a call from them any more; no, sir. We haven't gotten any new equipment; we are under probate court, and the Government has a lien against the Rimman estate. So, we can't buy new equipment to speak of; so, we haven't increased our operation. In fact, we have decreased.

The CHAIRMAN. They do once in a while call?

Mr. HUNDLEY. Once in a while, I will get a call from one, but I haven't—

The CHAIRMAN. Since Mr. Rimman got killed?

Mr. HUNDLEY. No; I havent had any since Wolf got killed. I believe one or two.

Mr. WHITE. The payment was not for installing new machines as much as for maintaining the machines that were already there in those locations; wasn't that the fact?

Mr. HUNDLEY. Well, yes; that was.

Mr. WHITE. They would get a new one once in a while, but for the most part it was to make sure that the status quo was preserved.

Mr. HUNDLEY. Yes.

Mr. WHITE. So that somebody could not come in and throw your machines out in the alley and put his in there.

Mr. HUNDLEY. That is true.

Mr. WHITE. What is the average take on a juke box in the county?

Mr. HUNDLEY. In the county?

Mr. WHITE. Yes.

Mr. HUNDLEY. Well, it depends a whole lot, sir, on the location. If they have got a band, it is not too good a stop. We have some awfully good stops in the county. Take the Paradise; that is a good stop.

Mr. WHITE. What is the yield?

Mr. HUNDLEY. I would say we get an average of 30 to 35 a week out of it for our part.

Mr. WHITE. That is 50-50?

Mr. HUNDLEY. Yes, sir.

Mr. WHITE. That is all I have.

The CHAIRMAN. I do not have anything else.

Mr. WHITE. Thank you very much.

The CHAIRMAN. We will adjourn.

(At 10:30 p. m. the executive session adjourned.)

# INVESTIGATION OF ORGANIZED CRIME IN INTERSTATE COMMERCE

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SATURDAY, SEPTEMBER 30, 1950

## EXECUTIVE SESSION

UNITED STATES SENATE,  
SPECIAL COMMITTEE TO INVESTIGATE  
CRIME IN INTERSTATE COMMERCE,  
*Kansas City, Mo.*

The committee met in executive session, pursuant to call, at 2 p. m., in courtroom No. 1, Federal Building, Senator Estes Kefauver (chairman) presiding.

Present: Senator Kefauver.

Also present: Rudolph Halley, chief counsel; Alfred Klein, assistant counsel; George White, committee investigator.

The CHAIRMAN. Come around and sit right down here.

Hold up your hand. You solemnly swear the testimony you give to this committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. RANDAZZO. I do.

The CHAIRMAN. We do not want to keep you here any longer than we have to. If you just tell us frankly what you know about the matters we are going to ask you about, we will get along all right.

## TESTIMONY OF MARION RANDAZZO, KANSAS CITY, MO.

Mr. WHITE. What is your full name, please?

Mr. RANDAZZO. Marion Randazzo.

Mr. WHITE. Your address?

Mr. RANDAZZO. 3716 Wyandotte.

Mr. WHITE. Your telephone number there?

Mr. RANDAZZO. Yes, sir. It is Jefferson 6141.

Mr. WHITE. What is your business?

Mr. RANDAZZO. Deputy sheriff, Jackson County.

Mr. WHITE. Are you employed full time?

Mr. RANDAZZO. Yes, sir.

Mr. WHITE. How long have you been a deputy sheriff?

Mr. RANDAZZO. Six years, approximately 6 years.

Mr. WHITE. And are you working for Sheriff Purdome at the moment?

Mr. RANDAZZO. Yes, sir.

Mr. WHITE. Have you any other occupation or sources of income?

Mr. RANDAZZO. No, sir.

Mr. WHITE. What are your duties?

Mr. RANDAZZO. Well, I am on the desk at night, from midnight to 8 o'clock in the morning.

Mr. WHITE. Sort of desk sergeant, so to speak?

Mr. RANDAZZO. Just a desk clerk is all.

Mr. WHIITE. What is your salary as a deputy sheriff?

Mr. RANDAZZO. \$175 a month.

Mr. WHITE. Were you appointed to your present position by Sheriff Purdome?

Mr. RANDAZZO. Yes, sir.

Mr. WHIITE. Were you on duty in the sheriff's office on the occasion when the vault in the basement was blown up?

Mr. RANDAZZO. No, sir.

Mr. WHITE. And ballots stolen?

Mr. RANDAZZO. No, sir. I was on my vacation at that time.

Mr. WHITE. Who was on duty at that time?

Mr. RANDAZZO. Well, sir, I could not tell you. I don't know who relieved me on that. It was during vacation time, and I was on my vacation at that time.

Mr. WHIITE. You had some curiosity about the matter, didn't you, and discussed it with the other officers?

Mr. RANDAZZO. No, sir; I did not.

Mr. WHIITE. Didn't it seem to you to be an unusual circumstance that the vault in the sheriff's office was blown up during the course of an evening?

Mr. RANDAZZO. Well, sir, I didn't know anything about it until I come back to work.

Mr. WHITE. You read the papers, didn't you?

Mr. RANDAZZO. Well, I think it happened about approximately 2 or 3 days before I came back to work.

Mr. WHITE. What did you do before you were a deputy sheriff?

Mr. RANDAZZO. Worked for the Packson County, operated filling station for the county.

Mr. WHITE. You mean you operated—

Mr. RANDAZZO. Filling station.

Mr. WHIITE. For the county?

Mr. RANDAZZO. For the county; yes.

Mr. WHITE. Does that service county vehicles, is that the idea?

Mr. RANDAZZO. That is right.

Mr. WHITE. Before that what did you do?

Mr. RANDAZZO. Before that I had a fruit store, operated a fruit store, Ninth and Michigan.

Mr. WHITE. Has any member of your family ever been arrested, Mr. Randazzo?

Mr. RANDAZZO. No; not of my family. I have some relation.

Mr. WHIITE. I mean some of your relations. Who were those people? You had some people that were in trouble, didn't you?

Mr. RANDAZZO. Yes; I had two cousins.

Mr. WHIITE. What were their names?

Mr. RANDAZZO. One of them is Isadore Randazzo.

Mr. WHITE. What was the other one's name?

Mr. RANDAZZO. Jack Randazzo.

Mr. WHIITE. Where were they from?

Mr. RANDAZZO. Right here in Kansas City.

Mr. WHITE. What kind of trouble were they in?

Mr. RANDAZZO. Well, Isadore, he was in some trouble there. I think it was a hold-up there on the post office, Sugar Creek.

Mr. WHITE. Post office what?

Mr. RANDAZZO. In Sugar Creek.

Mr. WHITE. Where is Sugar Creek?

Mr. RANDAZZO. Well, that is just east of Fairmount, near Kansas City.

Mr. WHITE. What happened to him? Did he go to the penitentiary?

Mr. RANDAZZO. No, sir; he was—he went to trial and got, I imagine he got 25 years, and he was paroled.

Mr. WHITE. How long ago was that?

Mr. RANDAZZO. That was a way back in 1923-24, I imagine.

Mr. WHITE. You say he was paroled or given probation before he went to the penitentiary, or he went to the penitentiary?

Mr. RANDAZZO. Yes, sir.

Mr. WHITE. And what was the other cousin's trouble?

Mr. RANDAZZO. He was operating a garage at Twenty-fifth and Grand.

Mr. WHITE. What happened?

Mr. RANDAZZO. Well, I imagine he was picked up for stolen parts, car parts.

Mr. WHITE. How long ago was that?

Mr. RANDAZZO. That was back about the same time.

Mr. WHITE. Did he go to the penitentiary?

Mr. RANDAZZO. Yes, sir.

Mr. WHITE. How long did he do?

Mr. RANDAZZO. He done 5 years down in Jefferson City.

Mr. WHITE. Have you ever been arrested for anything?

Mr. RANDAZZO. No, sir.

Mr. WHITE. Do you have a relative in New York by the name of Randazzo?

Mr. RANDAZZO. No, sir.

Mr. WHITE. Do you happen to know offhand the date that the ballots were stolen?

Mr. RANDAZZO. No, sir; I do not.

Mr. WHITE. In what period were you on your vacation?

Mr. RANDAZZO. Well, I think it was in July that year.

Mr. WHITE. July of what year?

Mr. RANDAZZO. I don't remember what year that ballot box, the safe was blown.

Mr. WHITE. At any rate—

Mr. RANDAZZO. 1946 or 1947, somewhere around in there.

Mr. HALLEY. In the early part of 1946, wasn't it?

Mr. RANDAZZO. I imagine it was 1946 or 1947, I am not sure.

Mr. WHITE. And—

Mr. HALLEY. It was in April, the summer of 1947, is that right?

Mr. RANDAZZO. That is right.

The CHAIRMAN. May or April?

Mr. RANDAZZO. I believe it was April, I took my vacation right at that time.

Mr. HALLEY. Wasn't it in 1947?

Mr. RANDAZZO. I took the first—

Mr. WHITE. Binaggio's death was the anniversary of the vote fraud.

Mr. HALLEY. April of 1947.

Mr. RANDAZZO. I remember taking the first 2 weeks of April.

Mr. WHITE. Who did you go on your vacation with; who accompanied you?

Mr. RANDAZZO. I didn't go anywhere. I stayed right here in town.

Mr. WHITE. And you didn't know that the vault at the sheriff's office was blown, even though you were here in town?

Mr. RANDAZZO. No, sir; I did not. I didn't go anywhere near the courthouse when I was on vacation.

Mr. WHITE. You read the newspapers, didn't you?

Mr. RANDAZZO. Well, after it all was over with, I heard about it in the newspapers.

Mr. WHITE. Did you discuss it with any of your fellow deputies?

Mr. RANDAZZO. No, sir.

Mr. WHITE. Never did at any time at all?

Mr. RANDAZZO. Well, if we have, I don't remember this instance.

Mr. WHITE. Just a minute, Mr. Randazzo. That is straining our credulity a little too far to think that the deputy sheriff who has been ordinarily for 6 years on duty at night in a courthouse where the ballots were stolen, where the sheriff's safe was blown, would not even discuss the matter with his fellow deputies after his return to work.

Mr. RANDAZZO. I imagine there was some few things were said, you know, about the safe being blown, but there was not anything brief about it.

Mr. WHITE. Wasn't anything brief about it?

Mr. RANDAZZO. What I mean, I was not interested in anything like that.

Mr. WHITE. You are interested in it now, aren't you?

Mr. RANDAZZO. Well, sir, I don't suppose I am.

Mr. WHITE. As a matter of fact, you have a little knowledge concerning that episode, isn't that true?

Mr. RANDAZZO. No, sir. No, sir.

Mr. WHITE. The point being, Mr. Randazzo, that no one is accusing you of blowing the safe, and you are not in any trouble.

Mr. RANDAZZO. That is right.

Mr. WHITE. But if it should develop that you had some information and didn't reveal that to us at this time, then you would be in some trouble.

Mr. RANDAZZO. I realize that.

Mr. WHITE. You don't want to be in any trouble, do you?

Mr. RANDAZZO. I do not; never was in trouble in my life.

Mr. WHITE. I am sure that you don't want to get into trouble now.

Mr. RANDAZZO. That is right.

Mr. WHITE. I am sure then that you don't mean to tell me and this committee that you have never discussed this matter with any of your brother officers.

Mr. RANDAZZO. Well, right at the time I can't remember if it was anything was talked about this here safe blowing, why, I could not recall it that it was, or anything like that. Naturally when you get around a bunch of fellows and you talk about something like that,

why, you don't, that has been back now in 1946, I don't recall of it was anything said about it, what was said about it.

Mr. WHITE. Have you discussed it since 1946 with anybody?

Mr. HALLEY. In 1947.

Mr. WHITE. 1947.

Mr. RANDAZZO. No, sir.

Mr. WHITE. Did you talk to anybody about this matter within the last few months or weeks?

Mr. RANDAZZO. No, sir; I have not.

Mr. WHITE. If we produce somebody that said that you had talked about it, why, that person would be not telling the truth, is that correct?

Mr. RANDAZZO. Absolutely.

Mr. WHITE. And I might suggest that whereas ordinarily the fact that you did have a discussion with somebody on this matter, would not be particularly material if you did, that since we are pointedly asking you this question now, I think it is material, and if you are not telling us the truth about it, and we can prove that you are not, then you might have to go to jail.

Mr. RANDAZZO. Well, sir——

Mr. WHITE. I just want to call that to your attention.

Mr. RANDAZZO. I am trying to remember if I did talk or mention anything about it which I don't think I have.

Mr. HALLEY. What do you know about the theft of those ballots?

Mr. RANDAZZO. I don't know nothing. The only thing I knew I was on my vacation at the time and when I came back from my vacation, I heard about this safe blowing.

Mr. HALLEY. What did you hear about it?

Mr. RANDAZZO. Well, I just heard about the safe being blown in the courthouse, and there was some sarcastic comments, you know, that the sheriff's office up on the top floor didn't hear the explosion, or stuff like that.

Mr. HALLEY. What did you hear about who did it?

Mr. RANDAZZO. I don't—I didn't hear about who did it.

Mr. HALLEY. Are you sure of that?

Mr. RANDAZZO. I am positive.

Mr. HALLEY. You would be willing to take your chances on going to jail if you are not telling the truth about that?

Mr. RANDAZZO. Absolutely, I am positive.

The CHAIRMAN. You can give us some leads about who did it, can you not?

Mr. RANDAZZO. No, sir; I can't, Senator. I am telling you the God's truth. If I knew nothing, I would be more than glad to tell you.

Mr. WHITE. Tell me this, Mr. Randazzo. Were any papers of the sheriff's ordinarily kept in that safe downstairs?

Mr. RANDAZZO. Sir, I don't know.

Mr. WHITE. Well, now, you are employed there in a sort of clerical capacity. At any time during the 6 years did you ever go to that strong room or vault or safe or whatever it is called and either put in or take out some kind of papers?

Mr. RANDAZZO. No, sir.

Mr. WHITE. Belonging to the sheriff?

Mr. RANDAZZO. No, sir; that was on the third floor. You are talking about the safe in the sheriff's office in the civil division?

Mr. WHITE. I am talking about the vault that was blown.

Mr. RANDAZZO. The vault?

Mr. HALLEY. Where the ballots were.

Mr. RANDAZZO. That is down on the first ground floor.

Mr. WHITE. That is correct.

Mr. RANDAZZO. Election commissioners. I thought you were talking about something else there. I am telling you the truth. I don't even know nothing about that.

Mr. WHITE. What do you know something about?

Mr. RANDAZZO. I don't know anything about anything, not when it comes to blowing any safes or anything. I don't know.

The CHAIRMAN. Where is Isadore now?

Mr. RANDAZZO. He is deceased.

The CHAIRMAN. When did he die?

Mr. RANDAZZO. Sir?

The CHAIRMAN. How long ago did he die?

Mr. RANDAZZO. Oh, he has been dead a good many years.

The CHAIRMAN. How about Jack?

Mr. RANDAZZO. He is operating a night club over in Cedar City, across from Jeff City.

Mr. WHITE. Is that the only trouble that Jack was ever in?

Mr. RANDAZZO. Yes, sir.

Mr. WHITE. Wasn't he ever arrested for burglary?

Mr. RANDAZZO. No, sir.

Mr. WHITE. You are sure of that?

Mr. RANDAZZO. Yes, sir.

The CHAIRMAN. Who do you think we could talk to to get information about this?

Mr. RANDAZZO. Sir, I couldn't tell you. I don't know of anybody that I could even mention anybody's name and be telling the truth.

Mr. HALLEY. Do you belong to any political club?

Mr. RANDAZZO. I believe to the Jeffersonian Democratic Club.

Mr. HALLEY. How long have you been a member?

Mr. RANDAZZO. Oh, I have been a member a little over 2 or 3 years.

Mr. HALLEY. Where are the headquarters of that club?

Mr. RANDAZZO. On Fifteenth Street.

Mr. HALLEY. When did you first join?

Mr. RANDAZZO. I think it was in 1940—I joined the Fifteenth Street Democratic Club in 1946, and then from there we all got together back there toward this last election in 1948.

Mr. HALLEY. The one that is the Jeffersonian?

Mr. RANDAZZO. Yes. It used to be the Jeffersonian Democratic Club, and then they split up and they started up the Fifteenth Street Democratic Club. Part of them went across the street and part of them stayed over there.

Mr. HALLEY. Were you a district captain or did you have any job?

Mr. RANDAZZO. I was a precinct captain.

Mr. HALLEY. You were a precinct captain?

Mr. RANDAZZO. Yes.

Mr. HALLEY. What precinct?

Mr. RANDAZZO. Twenty-fourth precinct.

Mr. HALLEY. Were any of the—

Mr. RANDAZZO. Second ward.

Mr. HALLEY. Were any of the votes from your precinct involved in the fraud?

Mr. RANDAZZO. No, sir.

Mr. WHITE. You are sure of that?

Mr. RANDAZZO. Sure.

Mr. WHITE. How do you know that?

Mr. RANDAZZO. I am positive. I took that precinct over after all this heat and everything else was all over with.

Mr. HALLEY. Are you related to any of the people who were indicted for the vote fraud?

Mr. RANDAZZO. No, sir; I was not.

Mr. HALLEY. Do you know any of them?

Mr. RANDAZZO. Right offhand I couldn't recall any names.

Mr. HALLEY. Did you know Klein, Snag Klein?

Mr. RANDAZZO. Yes.

Mr. HALLEY. That is one. Did you know any others?

I know. Mr. RANDAZZO. Well, Harry Burke. Those are the only two that

Mr. HALLEY. You haven't talked about the thing with Klein?

Mr. RANDAZZO. No, sir.

Mr. WHITE. Are you a Pendergast man or a Shannon man?

Mr. RANDAZZO. I used to be a Pendergast man.

Mr. WHITE. What are you now?

Mr. RANDAZZO. I belong to the Fifteenth Street Jeffersonian.

Mr. WHITE. That is Binaggio.

Mr. RANDAZZO. We are Pendergast now.

Mr. WHITE. That was Binaggio's.

Mr. RANDAZZO. Well yes, it used to be Henry McKissick's.

Mr. WHITE. That is right. Who has it now? Who is the man there now?

Mr. RANDAZZO. Henry McKissick.

Mr. WHITE. The sheriff is a Shannon man, isn't he?

Mr. RANDAZZO. Yes, sir.

Mr. WHITE. Aren't most of the deputies of the sheriff also Shannon men?

Mr. RANDAZZO. Well, they are mixed with Fifteenth Street. I imagine they divide those jobs up among the different factions. There used to be Pendergast men, there used to be Shannon, there used to be Fifteenth Street men. What I mean by Fifteenth Street is Jeffersonian.

Mr. HALLEY. Mr. Chairman, with your permission I think I should tell this witness we have some very definite information. The committee has had to send one man's record to the district attorney today for perjury. I am going to recommend to the chairman not giving this witness any opportunity to answer general questions and not continuing doing what we have done with other witnesses and tell them everything we know before we get any answers. I am going to ask you point-blank, what do you know about the theft of those ballots?

Mr. RANDAZZO. I don't know anything. That is the God's honest truth.

Mr. HALLEY. What did anybody ever tell you about the theft of those ballots?

Mr. RANDAZZO. Nobody has ever told me a thing about them.

Mr. HALLEY. What have you ever told anybody about the theft of the ballots?

Mr. RANDAZZO. Not a thing, sir.

Mr. HALLEY. Just so the record will be perfectly clear I am talking about the theft of the ballots involved in the vote fraud.

Mr. RANDAZZO. That is right.

Mr. HALLEY. In the primary of 1946.

Mr. RANDAZZO. Yes, sir.

Mr. HALLEY. You were active in that primary, were you not?

Mr. RANDAZZO. Well, that day I was in the tenth precinct of the second ward, and I went to the precinct that morning—Well, right after I went to work, and I stayed—No, I will take that back. I was working from 4 until midnight at that time on the desk. That is before they moved me over to midnight to 8. I had to be back at work at 4 o'clock. I left the precinct around about 2 or 2:30 in the afternoon to go to work, to be on duty at 4 o'clock.

Mr. HALLEY. Where were you the night of the ballot theft?

Mr. RANDAZZO. I don't remember.

Mr. HALLEY. Did anybody ever ask you any questions about the ballot theft after it occurred?

Mr. RANDAZZO. No, sir.

Mr. HALLEY. Did the FBI ever interview you?

Mr. RANDAZZO. I had an FBI man come to my apartment, yes.

Mr. WHITE. How soon after the vault was blown did they come there?

Mr. RANDAZZO. Oh, it was during that investigation. I don't know whether it was 2 or 3 weeks or a month.

Mr. WHITE. What did you tell them?

Mr. RANDAZZO. I told them I was on my vacation.

Mr. WHITE. Where were you when the vault was blown, what place were you?

Mr. RANDAZZO. Well, that is something I don't remember. I don't know. I don't remember where I was at the time. I was here, I imagine I was at home. As a rule I don't go out at nights.

Mr. WHITE. Did you appear before the county grand jury?

Mr. RANDAZZO. No, sir.

Mr. WHITE. Did you appear before the county grand jury in connection with the original investigation of the election fraud?

Mr. RANDAZZO. No, sir; I never appeared before any grand jury.

Mr. WHITE. Didn't they get most of the workers before the county grand jury when they indicted all of these people?

Mr. RANDAZZO. Yes. I guess they called quite a few of them up. These two FBI men came to my apartment. I gave them all the information that I could.

Mr. WHITE. Are you married?

Mr. RANDAZZO. I was. I am not now.

Mr. WHITE. How long since you have been married?

Mr. RANDAZZO. Since June 1949.

Mr. WHITE. Are you divorced?

Mr. RANDAZZO. Divorced, yes.

Mr. WHITE. What was your former wife's name?

Mr. RANDAZZO. Bernadine.

Mr. WHITE. Where does she live?

Mr. RANDAZZO. 3102 Benton Boulevard.

Mr. WHITE. What does she do for a living?

Mr. RANDAZZO. Works for the Red Cross.

Mr. WHITE. What type of work does she do?

Mr. RANDAZZO. Telephone operator.

Mr. WHITE. How long were you married?

Mr. RANDAZZO. Been married since 1935.

Mr. WHITE. Any children?

Mr. RANDAZZO. No, sir.

Mr. WHITE. Do you own a home?

Mr. RANDAZZO. No, sir.

Mr. WHITE. How much income did you pay tax on last year?

Mr. RANDAZZO. It was 100 and some—I don't quite remember.

Mr. WHITE. One hundred and something what? Your income was 100 and something?

Mr. RANDAZZO. No. I get \$2,100 a year.

Mr. WHITE. You have no other source of income?

Mr. RANDAZZO. Huh?

Mr. WHITE. You have no other source of income?

Mr. RANDAZZO. No, sir.

Mr. WHITE. You live on \$2,100 a year and support a wife on that?

Mr. RANDAZZO. I try to live off of it.

Mr. WHITE. Do you pay any alimony at the moment?

Mr. RANDAZZO. No, sir.

Mr. WHITE. You have no children?

Mr. RANDAZZO. No, sir.

Mr. WHITE. You were living with your wife when the vault was blown?

Mr. RANDAZZO. Yes, sir.

Mr. WHITE. Did you ever ask her if she remembered where you were that night?

Mr. RANDAZZO. No, sir; I did not. We never did discuss that.

Mr. WHITE. Didn't you tell her that the FBI man had come around to ask where you were?

Mr. RANDAZZO. Wait a minute now. I believe the FBI man came to my apartment after we were separated.

Mr. WHITE. You were separated in 1949?

Mr. RANDAZZO. We separated—I separated in January 1949.

Mr. WHITE. But you were living together up to that time?

Mr. RANDAZZO. Yes, sir.

Mr. WHITE. The FBI man must—

Mr. RANDAZZO. We were divorced in June of 1949.

Mr. WHITE. The FBI man came around almost 2 years after?

Mr. RANDAZZO. If I remember right, I believe that I was living up here at the apartment by myself at that time.

Mr. WHITE. You told me he came around a couple of weeks after.

Mr. RANDAZZO. I don't remember, I tell you. I couldn't remember the date or the time when this here all took place, but I am pretty sure that this happened, now since I remember it, I believe I was staying up there at the apartment by myself at the time.

Mr. WHITE. Are you and your wife on good terms at the present time? Are you friendly? Do you speak?

Mr. RANDAZZO. No, sir.

Mr. WHITE. Is there any great bitterness connected with your divorce?

Mr. RANDAZZO. No. We just don't speak whenever we happen to run into one another.

Mr. WHITE. Did she divorce you?

Mr. RANDAZZO. She divorced me.

Mr. WHITE. Are you living with any other person now?

Mr. RANDAZZO. I am not. I am staying by myself.

The CHAIRMAN. You talked with Charlie Gargotta about this, didn't you?

Mr. RANDAZZO. Oh, no, sir.

The CHAIRMAN. You knew him, didn't you?

Mr. RANDAZZO. I knew him by being around the club and seeing him around there, but as far as having any close relations or anything like that, I didn't know him that well.

The CHAIRMAN. How about Charlie Binaggio?

Mr. RANDAZZO. I just knew him in recent years, since he took over down there. I had heard of him but I never was around him or anything like that.

The CHAIRMAN. Who is your best friend down at the club?

Mr. RANDAZZO. There is Henry McKissick. I have known him ever since we were practically kids together.

Mr. WHITE. Did you ever discuss this theft with McKissick?

Mr. RANDAZZO. I did not.

Mr. WHITE. Have you ever discussed it with anybody?

Mr. RANDAZZO. No, sir; I did not.

Mr. WHITE. Never talked about it at all?

Mr. RANDAZZO. No, sir.

Mr. WHITE. I think we had just better nail you down on that one, Mr. Randazzo. Get this perfectly clear: At no time have you ever discussed the theft of these ballots with any person?

Mr. RANDAZZO. Sir, I will tell you I never discussed that ballot because I wasn't interested in those ballots.

Mr. WHITE. You were interested—you are a politician and you are a deputy sheriff both.

Mr. RANDAZZO. I am not a politician. I am merely holding my job. That is how I am holding my job by being a precinct captain.

Mr. WHITE. All right, your whole life and living depends upon your political activities and upon the preservation of the status quo.

Mr. RANDAZZO. That is right.

Mr. WHITE. If it wasn't for that, you would have to do something else which you didn't like as well.

Mr. RANDAZZO. That is right.

Mr. WHITE. In the very courthouse in which you worked a vault was blown up and the evidence stolen and you say that you are not interested in it?

Mr. RANDAZZO. I am not—

Mr. WHITE. You paid no attention to the incident and never discussed it with anyone?

Mr. RANDAZZO. No, sir.

Mr. WHITE. Wouldn't you be interested if one of your political patrons was arrested, tried, and convicted for it? Wouldn't that probably result in your losing your job?

Mr. RANDAZZO. No. If I lost my job, I would just lose it, that is all. If they were guilty of something like that, I wouldn't be interested—

Mr. WHITE. You wouldn't discuss that with anybody either, would you?

Mr. RANDAZZO. No.

Mr. WHITE. What do you talk about?

Mr. RANDAZZO. Sir?

Mr. WHITE. You are not interested in your job or your work?

Mr. RANDAZZO. I am in my job and my work; yes, sir.

Mr. WHITE. Do you drink?

Mr. RANDAZZO. No, sir.

Mr. WHITE. Play cards?

Mr. RANDAZZO. Well, I play a little cards once in a while. I don't gamble. I just play at home.

Mr. WHITE. What do you do for relaxation? What is your social life?

Mr. RANDAZZO. I don't do much of anything but just stay at home, go to shows or prize fights.

Mr. WHITE. Read the papers and stuff like that.

Mr. RANDAZZO. I read a little bit, not too much.

The CHAIRMAN. Mr. White, I think there is no use our going on with this—

Mr. WHITE. I think he has made it perfectly clear.

The CHAIRMAN. Inquiry, but I think we ought to warn you that we have information that you have talked with people about this.

Mr. RANDAZZO. If I have—

The CHAIRMAN. I just want to make it clear to you, you are here under oath.

Mr. RANDAZZO. Yes, sir; I realize that.

The CHAIRMAN. We are not going to put up with any monkey business. We want to know. We have information that you have talked with persons and know considerable about this ballot theft. There is no use going on listening to your denials. We just want to warn you, this is your chance to come through and tell us about it.

Mr. RANDAZZO. If I knew anything I would really tell the truth. If I discussed the ballot boxes with anybody, the ballots, whatever it is, with anybody, I would be more than glad to tell you if I did discuss it with them. I would tell you, come right on out and tell you the truth, but I don't remember me discussing the ballot boxes because I wasn't interested in them.

The CHAIRMAN. Well, it will just be a matter of whether he is right or whether the other fellow is right. It is a matter of whether you are right or whether the other fellow is right, so I guess there is no use going on with this.

Thank you.

Mr. RANDAZZO. O. K., thanks to you.

(Whereupon, at 2:35 p. m. the committee adjourned subject to the call of the Chair.)



# INVESTIGATION OF ORGANIZED CRIME IN INTERSTATE COMMERCE

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FRIDAY, FEBRUARY 23, 1951

UNITED STATES SENATE,  
SPECIAL COMMITTEE TO INVESTIGATE ORGANIZED  
CRIME IN INTERSTATE COMMERCE,  
*St. Louis, Mo.*

The committee met pursuant to call of the chairman at 9:30 a. m., in courtroom No. 1, United States Courthouse and Customhouse, Senator Estes Kefauver (chairman) presiding.

Present: Senator Kefauver.

Also present: John L. Burling, associate counsel; Harold G. Robinson, deputy director, department of justice, State of California; George Fickeissen; James P. Connor, St. Louis Crime Commission.

The CHAIRMAN. The committee will come to order.

Pursuant to resolution of the Senate Committee To Investigate Organized Crime in Interstate Commerce, authorizing the chairman to designate a committee of one to conduct this hearing and to take sworn testimony, the chairman designates himself as a committee of one. It is hoped that on tomorrow Senator Wiley will be able to join the chairman in the carrying out of this hearing, and I might make a very brief statement as to the purposes of this committee and the reason that we are having this open hearing in St. Louis.

The purpose of our committee, and the only legitimate purpose of any congressional committee is to get facts upon which to base legislation. It has been averred and alleged for quite a number of years that certain people carrying out transactions in interstate commerce in violation of either Federal law or the law of States, have become a menace to good government, they have become an economic liability, and have been extracting large sums of money from people who can least afford to pay it; that they have infiltrated into legitimate businesses, that they have had a deleterious and corrupting effect upon law enforcement officials in certain instances.

The chairman and the Members of the Senate, I am sure recognize that the big part of the problem is one of local interest and local enforcement. Without an aroused public opinion in a local community, of course nothing can be done, but in my opinion, the facts that we have already found show that this business of Nation-wide organized interstate racketeering and gambling has reached substantial proportions, and that it is going to take and is requiring a coordinated all-out effort on the part of official, local, and State enforcement officers, and particularly a revived and renewed interest on the part of the public. I have always had the firm conviction that when the people knew the

facts that they would do something about it, and certainly the kind of thing that we have found in certain parts of the United States is not what the people want, and it has grown up to some extent because the people haven't known what the facts were.

We are not here to go into purely local matters. Our jurisdiction is where there is some interstate connection and the resulting influence that it may have upon public officials or enforcement officials for its protection.

The calling of witnesses here is not to be presumed that we have anything against them, or that they are under investigation. The facts of what they are called here for will speak for themselves.

As I said before, it is not our province to go into, to try to solve everybody's problems in every community of the country. We are trying to get the Nation-wide set-up in the picture in order to make recommendations to the Congress as to what Federal laws may need amending, as to what new Federal laws within the jurisdiction of the Federal Government, without violating the prerogatives of the States we might be able to recommend and secure passage. In other words, where we can put blocks in the way of these operations through the use of the vehicle of interstate commerce.

In coming to St. Louis it should not be interpreted that we feel that St. Louis, or that this area is a crime-ridden section. As a matter of fact, here in St. Louis, preliminary information I have is that you have a good police department, very good officials, and an alert citizenry that is interested in good government. We are here because, as in the case of most of the large metropolitan areas there are interstate connections which are important for us to get in our picture. Certain operations take place in this area and certain people live in this area who have connections in one way or another with the thing that we are investigating. It has been very heartening to see the interest of people and public officials in the various parts of the United States during the last few years and particularly since our investigation started. I feel that the good citizens of St. Louis are to be congratulated upon the fact that they have formed a crime commission which is doing very good work under the direction of Jim Connor, and which has cooperated with us in every way possible. I think the crime commissions we have found over the country have been not only very beneficial in keeping the spotlight of publicity and information and a watchful eye upon important activities, but also in backing up and standing behind good officials and good enforcement officers when they need the support of the public. Many police officers are underpaid, many public officials may feel that some decent people are not on their side. A crime commission can do a whole lot to give them that kind of support. There have been a great many new crime commissions formed in the United States in the last few years, and I think that is a very good token.

I also want to thank the officials, Federal, State, and local, for the assistance that they have given us. We were here last July or early August for an executive hearing, and since that time Mr. Robinson, who has until just recently been the head of our investigative staff, Harold Robinson, has been back out to make some investigations. Mr. Robinson has recently left us to be the head of the organized crime section under the now attorney general, Pat Brown, of the

State of California. He has done a very remarkable job with our committee.

We have with us, immediately on my right, our associate counsel, John Burling, who has unusual abilities in the type of work that we are doing here and is an excellent lawyer generally.

Also we have had helping us with our investigation most of the time since we have been here, George Fickeissen, who is on the right of Mr. Robinson, who has been of great assistance to us in doing a very splendid investigation here, and Mr. Connor, has, as I said, been very helpful.

The chairman wishes to personally thank Judge Moore, whom I have known very pleasantly for quite a number of years, for his cooperation in making available this beautiful courtroom for our hearing, and Marshal Schoen and his deputies who have been so cooperative in the service of subpoenas and in other matters, Mayor Darst, the bailiff, Mr. Hart, who will look after our hearings, Mr. Watson, the United States attorney, Mr. O'Connor, the clerk of the court, and all of the Federal agencies that have helped us in every way that they could.

We are also grateful to the commissioner of police, Colonel Holzhansen, for the courtesy, helpfulness, and the suggestions that have been given us from time to time.

I want also to state in the beginning that this committee is not here to grind anybody's ax, to protect anybody or to smear anybody. To the best of our ability we have gone down the middle of the road trying to present such facts and such matters as we think are important. We also want to avoid in every way possible casting any reflections upon the name or the character of any good person or any person mentioned in any unfair way. One of the reasons for having executive hearings in the first instance is to try to find out what you have and prevent the throwing around of the names of good people. But during this hearing it is possible, and it is almost impossible to prevent it, names sometimes are brought out which are not properly represented, the facts may not be correct as stated about some person, and I want to invite and to urge and to insist that if anyone's name is used that they immediately let me know, Mr. Burling or Mr. Robinson or Mr. Fickeissen, and within that same session if it is humanly possible we will see that they have an opportunity of being heard, to deny, explain, or to make any statement that they wish. I do not want to leave St. Louis with anyone feeling that they were talked about and did not have a chance of making their own explanation. So that I would like to have that understood, and I hope the press will give it some notice, that all they have to do is to come here and let us know.

Mr. Burling, is there anything else that you think of?

I might state at this time that we shall try to finish this hearing by tomorrow noon. We have many more witnesses subpoenaed than we are going to be able to hear. We will try to hear as many as we can and get the relevant facts. I think we will carry on until about 5:30, and we will have a break until 7:30, and have a night session until about 10. In the morning the committee will meet at 9:30, and we will try to finish by noon, but we might not be able to do it.

I understand that some attorney is here who has an affidavit or statement or a medical certificate about Mr. Leo Dougherty, who is ill.

Mr. O'CONNELL. Mr. Chairman, my name is John O'Connell. I would like to present this letter from Doctor Barborka, and to extend Mr. Dougherty's regrets at not being able to be here.

The CHAIRMAN. Will you read this?

Mr. O'CONNELL. The letter is:

PASSAVANT MEMORIAL HOSPITAL.

*To whom it may concern:*

Mr. Leo Daugherty, who is under my care at the Passavant Memorial Hospital, is suffering from coronary occlusion with myocardial damage. It would be criminal to subject him to any type of examination until he has passed the crisis in the next 3 to 6 months.

CLIFFORD J. BARBORKA, M. D.

FEBRUARY 21, 1951.

The CHAIRMAN. That will be filed.

I might say that in Washington we had a message from the hospital and the matter was checked and we find that Mr. Dougherty is not able to testify.

I might say in that connection that we probably would not have called Mr. Dougherty, that while he was under subpoena we might have called him or we might not. We probably would not have called him in any event.

Mr. O'CONNELL. I beg your pardon?

The CHAIRMAN. I say we probably would not have called him. He has a lot to say but most of his testimony is not of great importance or relevance to this inquiry, but if something comes up we want to get in touch with him, if we are able to we can get his statement at the hospital.

Mr. O'CONNELL. Thank you very much, Mr. Chairman.

Mr. GODFREY. Mr. Chairman, my name is Dewey S. Godfrey.

The CHAIRMAN. Dewey S. Godfrey, attorney at law?

Mr. GODFREY. Yes.

The CHAIRMAN. In St. Louis?

Mr. GODFREY. Yes, and I represent Mr. Ralph Caleca.

The CHAIRMAN. All right, Mr. Godfrey.

Mr. GODFREY. I have an affidavit here:

*To Whom It May Concern:*

This is to advise that I am the attending physician for Ralph Caleca, who is now confined to Faith Hospital, located at 2800 North Taylor Avenue, St. Louis, Mo. Mr. Caleca is suffering from a post-operative complication which has resulted in an embolism and he is confined to Faith Hospital on advice of consultants and myself. We feel that absolute bed rest is imperative. The period of confinement is problematical and it may continue for another 3 weeks.

NICHOLAS S. VITALE, M. D.

Mr. BURLING. Will you state your name again?

Mr. GODFREY. Dewey S. Godfrey.

Mr. BURLING. Do you know of your own knowledge when Mr. Caleca was taken ill, what is the date?

Mr. GODFREY. The affidavit was made on the 20th of February.

Mr. BURLING. What was the date of the operation?

Mr. GODFREY. The operation was about 2 weeks ago.

Mr. BURLING. Was any effort made, that you know of, to communicate with the committee until today by anybody?

Mr. GODFREY. No.

Mr. BURLING. You just waited until we started?

Mr. GODFREY. I was called in Monday.

Mr. BURLING. Mr. Caleca made no effort, as far as you know, although he was notified that he was to be here, he made no effort to tell the committee that he would not be able to come?

Mr. GODFREY. That is right.

Mr. BURLING. Mr. Chairman, I think that is unfortunate.

The CHAIRMAN. Mr. Caleca is a witness the committee was very anxious to have. He is an important witness. Faith Hospital is here in St. Louis?

Mr. GODFREY. That is right.

The CHAIRMAN. Do you have any objection if we have our own physician consult with Dr. Vitale here and also make such other examination, if we wish it?

Mr. GODFREY. That is perfectly O. K. I would like to have the chairman notify me, though, the doctor, the consultants that helped in this operation are available and I can have your doctor contact them. Dr. Vitale happens to be in Chicago today at a convention, but these other two who actually performed the operation are available and Mr. Caleca is there in the hospital, and we are agreeable to any examination that you may wish to make.

The CHAIRMAN. We will select a physician who will contact you. I will ask Mr. Robinson or Mr. Fickeissen to handle the matter; but Mr. Godfrey, we do feel that your client, or you, or somebody should have gotten in touch with us and given us some advance information about this situation, because otherwise we might have been able to have gotten the testimony from this witness, from someone else.

Mr. BURLING. Mr. Chairman, may I have this affidavit introduced as an exhibit to this hearing?

The CHAIRMAN. It will be included in the record.

(The document referred to was previously written into the record.)

The CHAIRMAN. You will be contacted today, Mr. Godfrey.

Is there anyone else who has medical certificates?

We are honored today by having as our first witness Col. William L. Holzhausen.

Colonel Holzhausen, will you come around?

#### TESTIMONY OF COL. WILLIAM L. HOLZHAUSEN ON BEHALF OF THE ST. LOUIS BOARD OF POLICE COMMISSIONERS

The CHAIRMAN. You solemnly swear the testimony you give this committee will be the whole truth, nothing but the truth, so help you God?

Mr. HOLZHAUSEN. I do, sir.

The CHAIRMAN. Colonel Holzhausen, we are glad to have you as our first witness. The committee has heard of your work and efforts, and we must say that the general impression we got is very good, and certainly you and your people have assisted us and cooperated with us in every way that you could, for which we are very grateful.

Mr. HOLZHAUSEN. That is kind of you, Senator.

The CHAIRMAN. You have a statement that you will read, I believe?

Mr. HOLZHAUSEN. With your permission I will. Do I have the Senator's permission?

The CHAIRMAN. Yes, indeed.

Mr. HOLZHAUSEN. I am glad to appear here today at the invitation of the senatorial investigating committee.

I wish to state at the outset that I speak not only for myself but for the entire board of police commissioners, Colonels Church, Robers, Ostertag, and Mayor Darst.

We sincerely believe that the work of the Senate Special Committee To Investigate Crime in Interstate Commerce is most helpful to law-enforcing agencies and is appreciated by them.

Local law-enforcement agencies are faced with many serious and complex problems which deal with crime. Some stem from factors out of reach or beyond the control of local agencies. The inability to come to grips with the real crux of the problems which face us has been discouraging and at times has led to lowered morale in the police department.

Your committee has succeeded in focusing public attention on some aspects of crime problems which police have long known, but have despaired of doing anything about. These problems have seldom been fully appreciated—and, I believe, never properly studied by the only group which could do anything about them—the legislative bodies of our Federal Government.

What I am about to say may be taken as biased because it is our own evaluation of the St. Louis Police Department. However, I have no hesitancy in making the statement because I know that the record will bear me out. I believe also that the overwhelming majority of our citizens will verify the accuracy of my statements.

I believe that St. Louis is exceptionally fortunate in having an honest, diligent, well-trained police department. Major crime is at a low point here. I believe that our gambling and vice squads are particularly vigilant, aggressive and even militant. Pride in their record of enforcement is shared by all the officers and men in the department.

But organized gambling has been—and continues to be—a thorn in our side. It poses perhaps the most perplexing and potentially dangerous possibilities. With our hard-working department, 3,705 gambling arrests were made in the past 2 years. A large majority of these arrests were made in gambling situations which interstate racing information made possible.

The wire services, which bring in the national racing results "hot off the wire," give impetus to the setting up of gambling joints, handbooks, and sneak bookies.

I do not believe these operations could exist without the interstate wire services which furnish the "hot" results. Nor can our local police department do anything about controlling the sources of information.

I am not going to detail or repeat what happens, or can happen, when organized gambling gets a foothold in any community. Your committee has already fully demonstrated this to the Nation. I only know that our citizens and our police board will not tolerate such conditions here in St. Louis.

But, gentlemen, let's face it. No matter how honest, no matter how diligent, no matter how efficient our police department is, unless the Congress by national legislation outlaws the dissemination of gambling and racing news over interstate wires, neither our community nor any other can fully cope with the gambling situation. It will always remain a real threat to the peace and security of any city.

True enough, in St. Louis we must operate under an antiquated criminal code which makes gambling convictions difficult to obtain.

Because of the combination of the ease of getting the racing news and the inadequacy of our laws, the organized syndicates here limit their attention more to gambling than to other forms of vice or crime.

We are not kidding ourselves, however, when we make many of our gambling arrests. We know that often within a few days after their arrests some of our chronic gambling offenders are back in business again. Only this time with new phones, new locations, with greater caution and with a new determination to evade our police. Then we must start the long, laborious process of watching the operation, getting the evidence, and making the arrest—only to have the whole vicious cycle start all over again.

What this amounts to really is a planned harassment rather than an effective curtailment or an effective arrest-prosecution plan.

Until the "ticker drops" into St. Louis and other cities are outlawed by Federal law our police must devote valuable time and manpower, which, by the way, is rapidly growing more scarce as the Armed Forces continue to take our men, to raiding sneak handbooks and following them around. Our time, I can assure you, could be spent elsewhere with greater value and service to our citizens.

I wish to make it clear that I do not believe the regular news channels are the source of much of our problem. I am informed by our gambling-squad officers that it is the last-minute-scratch information, the changing odds before post time, the jockey announcement, the excitement of the calling of the race as it is being run and other similar "hot information," which cause the horse-race bettors to wager greater and greater amounts of money, and to make more and more wagers as this stimulus urges them on. I do not think this is true when racing information is limited to the regular newspaper or similarly accredited news channels.

Gentlemen, we are not so naive as to believe that organized gambling, either by law or even by rigid enforcement, can be completely eradicated.

But we do believe that with proper Federal statutes, one of the most vexing and potentially dangerous problems for the police and the community can be effectively curtailed.

If a national law were enacted, making it a Federal offense to use interstate communication facilities for any and all types of gambling, the local law-enforcement agencies could then have the assistance of their present prosecution facilities, as well as the Government's. The Mann Act, Dyer Act, and other similar laws are the best argument in this regard.

If the work of this committee is responsible for the enactment of such a national law, I firmly believe that the committee will have served our people well. Thank you.

The CHAIRMAN. Thank you, Colonel Holzhausen.

Mr. BURLING. Colonel, I show you a document on the letterhead of the department of police of the city of St. Louis, dated August 23, 1950, and ask you if this is a list of persons arrested by the secret-service division in connection with handbooks from January 1, 1948, to the date of the preparation of the document?

Mr. HOLZHAUSEN. That would be rather hard for me to answer. It is on our stationery.

Mr. BURLING. You are not personally familiar with it?

Mr. HOLZHAUSEN. No, sir; not personally familiar with it. We have our chief of detectives here in the room, and the captain of our gambling squad.

Mr. BURLING. Then, Mr. Chairman, I suggest that we wait.

The CHAIRMAN. We will take the matter up with the person familiar personally with that.

Have you anything else, Mr. Burling?

Mr. BURLING. I do not believe so, Mr. Chairman.

The CHAIRMAN. Well, Colonel Holzhausen, you have given us a very splendid statement and we appreciate the good things you have said about our committee. We, of course, have gotten our share of brick-bats along the line so it is good to have somebody give us a good word, and we are glad to have your recommendations as to the necessity of certain types of Federal legislation.

Do you feel that the wire service coming into St. Louis and the dissemination to people for bookmaking purposes is one of your chief problems in law enforcement in this section?

Mr. HOLZHAUSEN. I do.

The CHAIRMAN. And that it is a province for the Federal Government to deny the use of interstate commerce for these things that are in furtherance of criminal activities?

Mr. HOLZHAUSEN. I do.

The CHAIRMAN. Colonel Holzhausen, you are the president of the board of police commissioners, is that correct?

Mr. HOLZHAUSEN. That is true, sir.

The CHAIRMAN. How many members of the commission do you have?

Mr. HOLZHAUSEN. There are four.

The CHAIRMAN. Who are the other members?

Mr. HOLZHAUSEN. Colonel Church, Colonel Roberts, and Colonel Ostertag—I will correct myself, and Mayor Darst is ex officio a member. In reality there are five members of the board with Mayor Darst being an ex officio member.

The CHAIRMAN. And you and the other three members are appointed by the Governor for staggered terms?

Mr. HOLZHAUSEN. No. We are appointed for a 4-year period. We all went in at the same time and we will go out at the same time.

The CHAIRMAN. Who were you appointed by?

Mr. HOLZHAUSEN. Governor Smith.

The CHAIRMAN. Now, there has been testimony to the effect that some years ago before Binaggio and Gargotta were killed in Kansas City, that there were efforts by these people to thus aline certain ones of the underworld, aline with them to try to infiltrate into and reduce the effectiveness, and to open up to the extent that they were able to, Kansas City and some allegations that applied even to St. Louis. Do you have anything to say about that?

Mr. HOLZHAUSEN. No, sir. No one has ever approached me; so I would know nothing about it.

The CHAIRMAN. Anyway, if any influence was attempted to be used it was not attempted on you; is that correct?

Mr. HOLZHAUSEN. Not on me; no, sir.

The CHAIRMAN. Governor Smith appointed you; and what were his instructions to you in connection with the administration of your office?

Mr. HOLZHAUSEN. Governor Smith's instructions to our board of police commissioners are a matter of public record. He instructed us to see that all the laws of the State of Missouri, the ordinances of the city of St. Louis were fully carried out and fully enforced. He made those statements publicly on several instances.

The CHAIRMAN. Well, has he or anyone else in the State administration given you any orders to the contrary or tried to get you to loosen up the town, or to go easy with any particular people or types of people?

Mr. HOLZHAUSEN. No, sir. Governor Smith, each time that I talked to him, reiterated that statement that I just gave you.

The CHAIRMAN. You have had no outside interference?

Mr. HOLZHAUSEN. No, sir.

The CHAIRMAN. Did Binaggio and his group endeavor to conduct any operations in this part of Missouri, or do you know?

Mr. HOLZHAUSEN. As far as I know, they have not. I checked with Captain Wren, who is the head of our gambling squad, and Chief of Detectives Murphy, and as far as we know he has not attempted to operate here.

The CHAIRMAN. How many policemen do you have in the city of St. Louis?

Mr. HOLZHAUSEN. When our complement is filled we have 1,915 policemen and officers.

The CHAIRMAN. I think the National Municipal Association and the Conference of Mayors and Police Commissioners have a formula for the number of policemen you are supposed to have in proportion to the population.

Mr. HOLZHAUSEN. I think we rank—I may be wrong in this; I think we are seventh in ratio of population. There are, I think six cities that have more policemen in ratio to their population than we have.

The CHAIRMAN. Then you come fairly well up to the standard requirements?

Mr. HOLZHAUSEN. That is right, sir.

The CHAIRMAN. How about your pay for policemen? I have always had a feeling, frankly, that it was awfully good economy for a city to not only have good enforcement officers but to see that they were paid as well as possible and had some retirement privileges after working for a certain length of time, that that was not only helpful for law enforcement, but it was good economy for any city. Do you pay your policemen well here?

Mr. HOLZHAUSEN. Well, right now we are trying to get them more money, Senator. The situation as it stands now, if I remember my figures correctly, I think that we are tenth in the country as far as salaries of police officers are concerned.

The CHAIRMAN. Do you know your average salary for your police officers?

Mr. HOLZHAUSEN. Yes, sir. Our patrolman, after he has been on 5 years, receives \$290 a month; sergeants, I think \$330.

The CHAIRMAN. Thank you very much, Colonel.

Mr. HOLZHAUSEN. Thank you, Senator.

The CHAIRMAN. We appreciate your coming here.

**TESTIMONY OF J. E. TAYLOR, ATTORNEY GENERAL, STATE OF MISSOURI**

The CHAIRMAN. Do you solemnly swear that the testimony you will give this committee will be the whole truth, so help you God?

Mr. TAYLOR. I do.

Mr. BURLING. Mr. Chairman, at this point and in connection with the testimony that I believe the attorney general is going to give, I would like to put on view a chart which the committee staff has prepared under the personal supervision of Mr. Robinson. It is a chart showing various wire connections. It will be used throughout the hearing and no doubt referred to many times.

The CHAIRMAN. Let the chart be made an exhibit so it can be referred to by the various witnesses.

(Exhibit No. 41 is on file with the committee.)

Mr. BURLING. May I ask the attorney general's permission to interrupt his testimony long enough just for Mr. Robinson to state briefly what the chart is? We will explain it in detail as we go along.

The CHAIRMAN. All right. Mr. Robinson, you tell us what that chart is.

Mr. BURLING. This is a chart relating to various forms of racing wire service.

Mr. ROBINSON. A chart of St. Louis and East St. Louis area.

Mr. BURLING. Including St. Clair and Madison Counties, Ill.

Mr. ROBINSON. That is correct. This is part of the entire distribution centers at the Pioneer News Service in the Fullerton Building, indicated by this large tack here.

Mr. BURLING. May I interrupt you once more? Is it not correct this tack up here is symbolic and represents additional lines here which could not physically be put on the chart?

Mr. ROBINSON. I am going to get to that, Mr. Burling.

We plotted first the SA or telegraph tickers indicated by the purple lines reaching over to the East St. Louis and Madison and St. Clair County area. It was then physically impossible to put your telephone circuit off this same pin, so merely for purposes of convenience, this is the same disseminating point as Pioneer here, and the green lines indicate your phone contacts throughout the St. Louis area. Now, you will notice with only two exceptions your telegraph distribution is for the most part on the East St. Louis side. Your telephone type of distribution is on your municipality of St. Louis.

The CHAIRMAN. The purple lines represent telegraphic distribution, the green lines telephone distribution?

Mr. ROBINSON. That is correct; and it should be interpreted as though these two pins were together, the focal point of distribution being the Pioneer News Service in the Fullerton Building here.

Now, the symbol orange pins are spotted around here indicating the bookmaking arrests made by the St. Louis police over the past approximately 18 months. Each time there was an arrest it is indicated with a little orange pin.

Now, do you want me to go on about the music?

Mr. BURLING. I think, Mr. Chairman, the special case of the wired music should be developed through witnesses later. It is rather com-

plicated, and I was merely trying to have a chart before us while the attorney general was testifying. I think it would be helpful, however, Mr. Robinson, if you would show us the typical example of the fan-out, and explain for the record what a fan-out is.

Mr. ROBINSON. In a location at 11 North Jefferson, operated by Mr. Vogt it was found that he was receiving phone information from Pioneer's headquarters back here in the Fullerton Building, and he was seated there before six telephones. Upon receiving calls from people scattered throughout the area he would take the mouthpiece of the telephone instrument and hang it in front of a loudspeaker which was broadcasting the results obtained from Pioneer's headquarters, so in effect he was fanning the information he was receiving at this point to six more subscribers whose whereabouts are unknown. They could call in there from almost any point in the city and receive the information that he was then receiving from Pioneer, so that this is indicated by fan-out here to six phones, the exact location of which are not determined.

Mr. BURLING. And the pins you are indicating are symbolic, that is, they are not meant to be where those pins are on the map?

Mr. ROBINSON. That does not indicate the location of the subscriber who was calling, this part here.

Mr. BURLING. But in any event, a fan-out is where someone receiving race-wire information on one wire fans it out onto several wires?

Mr. ROBINSON. That is correct.

The CHAIRMAN. I did not understand about the loudspeaker. He got it on the telephone and he would hold his receiver in front of a loudspeaker so that the telephone that called in could in turn get the information from the loudspeaker, is that correct?

Mr. ROBINSON. The information coming into him, Mr. Chairman, was coming in through an amplifier in a loudspeaker set up. He had eight phones here and as he received a call on any of those phones he would take the instrument from the cradle and merely hang it up in front of the loudspeaker until he had eight instruments so arranged they were getting rebroadcasts of the information he was getting from Pioneer.

The CHAIRMAN. Well, do you want to go into the matter of who paid who for this service; was he paid, was Pioneer paid?

Mr. ROBINSON. Mr. Vogt, who was here at 11 North Jefferson, was carried on the payroll of Pioneer News Service at \$75 a week as an employee.

The CHAIRMAN. How about the people who called in?

Mr. ROBINSON. The proceeds, or the revenue derived from these eight phones, until we establish the identity and the whereabouts of these phones, we could not establish that they were paying, for purposes of tracing that back through either Vogt or Pioneer.

The CHAIRMAN. All right.

Mr. BURLING. In sort, Mr. Robinson, neither the State and local police, nor our own investigations have ever been able to find out who was paying Vogt for the information being received as a result of this particular fan-out, is that right?

Mr. ROBINSON. That is correct, Mr. Burling; and further than that, this happens to be one instance that was accidentally discovered where that practice of fanning out was taking place. Now, you notice in this address down here, we have a telegraph service and we have a

telephone service going into it, a logical place for a fan-out but it has never been established that they actually were fanning out information, so that this does not in any case indicate the extent of this fan-out practice. It is just one instance that was found.

Mr. BURLING. Yes, Mr. Chairman, this is offered merely as an illustration to explain the word "fan-out" for the record and for the public.

The CHAIRMAN. The chart will be made an exhibit to the record.

Now, we are very happy to have you with us, Mr. Attorney General Taylor. We have followed with interest your effort and the litigation that you have had in connection with the wire service in the State of Missouri, and have tried to render that little assistance to you we have been able to. We appreciate the effort that you have made.

Now, Mr. Taylor, you are elected as attorney general of Missouri; is that correct?

Mr. TAYLOR. Yes, sir.

The CHAIRMAN. When were you first elected?

Mr. TAYLOR. I was first elected in November of 1944, and took office in January of 1945. I was reelected in 1948 and again took office in 1949.

The CHAIRMAN. Is there any preliminary statement that you wish to make?

Mr. TAYLOR. No, sir; I believe not. I have prepared a statement, I hope in the interest of, if not brevity at least clarity.

The CHAIRMAN. All right, sir. Do you have copies of it, Mr. Taylor?

Mr. TAYLOR. Well, I did have some copies but I am sorry, I gave them all to the newspaper boys. It may be I could borrow one back.

The CHAIRMAN. That is all right. Well, we have one here. That is all right.

Go ahead, Mr. Taylor.

Mr. TAYLOR. Mr. Chairman, I appreciate your invitation to tell the committee of my knowledge of the history of the racing news distribution business in Missouri, of my efforts to eliminate bookmaking by stopping such service, and of my belief that Federal legislation to prohibit rapid dissemination of racing news in interstate commerce for gambling purposes is necessary if State and local law enforcement officials are to be successful in their efforts to eliminate illegal bookmaking with all of its attendant evils.

Since the early 1900's interstate communication facilities have been used to disseminate rapid racing information to bookmakers. Simon Partnoy, who until recently was engaged in the business of disseminating racing news to bookmakers in Kansas City, Mo., and surrounding territory under the name of Harmony Publishing Co., testified that he had been engaged in such business in or around Kansas City since 1924. Pioneer News Service, Inc., and its predecessors have been engaged in the business of transmitting rapid racing news to bookmakers in St. Louis and surrounding territory since 1927.

During this time there has been almost constant agitation to prohibit the dissemination of such news, but there has always been doubts of the authority of law-enforcement officials to do so, although it is common knowledge that the sole purpose of racing-news distribution is to aid and assist bookmakers in their illegal enterprises. The police

board of St. Louis in 1938 attempted to eliminate bookmaking establishments in St. Louis by cutting off the telephone service furnished Pioneer News Service, but the city counselor at that time ruled that the service furnished by Pioneer News Service was not illegal and that the city had no right to have its phone service discontinued. In 1939, the then attorney general of Missouri also ruled that the service furnished by Pioneer was not illegal. In 1945, the War Production Board requested all telephone companies to discontinue service to persons engaged in the business of disseminating rapid information upon the results of horse races. Southwestern Bell Telephone Co. thereafter notified Pioneer News Service that it was going to discontinue its telephone service because it was being used as an instrumentality to violate the laws of Missouri. Pioneer News Service then filed a complaint with the public service commission requesting that it take appropriate action to insure the continuation of its service. After a hearing, the public service commission ordered the telephone company to continue its service to Pioneer because sufficient evidence had not been adduced to show that the service was being used for an illegal purpose.

In 1940, Simon Partnoy was engaged in the business of receiving and transmitting rapid information on horse races in Kansas City, Kans., under the name of Eagle Scratch Sheet Publishing Co. The Department of Justice notified the Western Union Telegraph Co. that the service furnished Partnoy was being used to violate the law, and Western Union, after making an investigation, notified Partnoy that it was going to discontinue the service furnished him. Partnoy obtained a temporary restraining order in the circuit court of Jackson County prohibiting the Western Union Telegraph Co. from discontinuing his service. The cause was removed to the Federal District Court of the Western District of Missouri and after hearing the evidence, Judge Collet found that the service furnished Partnoy by Western Union was being used as an instrumentality to violate the law and dismissed Partnoy's complaint. A short time later, however, Partnoy moved to the Green Hills Night Club in Platte County, a few miles north of Kansas City, and obtained Western Union service and continued to operate.

A brief history of the racing news service in St. Louis may be helpful in understanding the picture as it developed in recent years.

Paul "Bev" Brown and Clarence L. "Gully" Owen started their racing news service about 1927 under the name of Empire News Co., and received their racing information from General News Bureau, Inc., of Chicago, which was controlled by Moe Annenberg. In 1928, they changed the name of the company to Central News Service Co., and later to Pioneer News Service, Inc. Until 1932, Brown and Owen owned all of the stock of the various companies which they operated. In early 1932, Brown and Owen sold 50 percent of their stock to Moe Annenberg and his associates, William Molasky, C. S. Kruse, and James Reagan. Although Molasky testified that they paid \$100,000 for this stock and that no intimidation was used to purchase it, it has been widely reported that Brown and Owen were forced to sell 50 percent of their business in order to continue to receive the racing news furnished by Annenberg.

Brown and Owen continued to manage Pioneer until February of 1947, when Brown left to manage Reliable News Service in Fair-

mount, Ill. He returned to Pioneer News, however, in August of 1947. During Brown's absence Owen continued to operate Pioneer News Service. Gully Owen died in May of 1948 and Bev Brown died in July of 1949. Since that time William Brown, son of Bev Brown, has been manager of Pioneer News Service. William Brown and his mother now own 65 shares of Pioneer News Service, Inc., and William Molasky and his family own the other 35 shares.

Pioneer News Service, Inc., has been for many years engaged in the exclusive business of receiving and disseminating to bookmakers in eastern Missouri and western Illinois rapid, up-to-the-minute racing information. This information consists of preliminary betting odds, track conditions, names of horses and jockeys, horses scratched, changes in betting odds, description of races as they are run, official results of the races, and odds paid on winners.

Pioneer has received this information for many years from Continental Press Service of Chicago. The service is received off of a Western Union drop connected with what has been described by the Western Union officials as the Chicago-Portland-Detroit-New Orleans circuit arranged for and paid by Continental Press. The information is received by Morse code and is immediately decoded and simultaneously broadcast over a battery of telephones to bookmakers in St. Louis, Mo., and adjacent territory. In February of 1947, Pioneer News Service had seven or more direct telephone lines to bookmakers and various drops off of these direct telephone lines to other bookmakers, the number of which materially varied from time to time, and in addition had 13 or more ordinary telephones, all of which were used for the purpose of disseminating racing information.

After these phones were disconnected at the request of the governor and myself and then restored by order of the court, the direct lines were eliminated and Pioneer continued to do business in Missouri by means of ordinary telephones. The information furnished by Pioneer to bookmakers in eastern Illinois, however, was furnished by Western Union ticker circuits.

In March of 1950 there were 28 ticker circuits from Pioneer to various bookmaking establishments in eastern Illinois. Pioneer did not furnish any ticker service to establishments in Missouri.

The number of customers which Pioneer News Service, Inc., has had from time to time through the years has varied materially, depending perhaps upon local law enforcement efforts. At one time it was reported it had 600 customers. That it was a lucrative business is revealed by the fact that in income fraud cases filed against Brown, Owen, and Molasky, it was alleged that Brown's income from 1933 to 1936 was \$257,000; that Owen's income was \$219,000; that Molasky's income for a 4-year period was \$423,000; and that Pioneer News Service's gross income for the 4-year period was \$1,519,905, although these were depression years. That it continued to be a lucrative business is revealed by the fact that in 1949, William Brown, manager of Pioneer News Service, and William L. Molasky, who testified he did nothing but countersign checks, received salaries of \$550 per week each and the company paid \$40,000 in dividends.

Pioneer News Service received its racing information from Annenberg until 1939, when he was convicted and quit business. Thereafter, Pioneer received its racing news from Continental Press Service which was operated by James M. Ragen, a former associate of An-

nenberg's. An attempt was made on Ragen's life in May of 1946 and thereafter he dictated a 98-page document on gambling operations which he released through Chicago authorities after he was shot June 24, 1946, by gangsters in South Chicago. Ragen died August 9, 1946.

In the document prepared by Ragen he charged that the old Capone gang intended to take over all racing news distribution west of Pittsburgh and to seize the Ragen distribution chain. He also charged that the Capone gang expected to move into St. Louis after taking over the racing wire service in East St. Louis, Ill.

Mr. BURLING. I wonder if I can interrupt you so that our record will be continuous. Mr. Chairman, at this time I suggest that we make a part of the record of this committee a copy of the statement of James Ragen, which has been obtained by the committee staff.

The CHAIRMAN. I think it was made a part of the record at the Cleveland hearing but in any event, it will be made a part of the record for the purpose of asking questions from and for such matters as are pertinent to our inquiry, and not as to collateral matters that have nothing to do with what we are going into, and I'll be glad if you will go over it and only copy such pertinent parts into the record.

Mr. BURLING. Mr. Chairman, I was not proposing that we publish at this hearing this statement at all, but merely make it an exhibit; as such it would be open to examination, but I do not believe it is necessary for the committee to reprint it.

The CHAIRMAN. All right, it will be made an exhibit.

Mr. BURLING. I think that is exhibit No. 42.

(Said document referred to is marked for identification as "Exhibit No. 42" and is on file with the committee.)

The CHAIRMAN. Go ahead, Mr. Taylor.

Mr. TAYLOR. Shortly before or after Ragen's death the Trans-American News Co., Inc., was organized by a Chicago syndicate reportedly composed of remnants of the old Capone gang. That the Trans-American News Co. did try to take over the distribution of racing news in the Middle West is evident from the activities of their representatives in both St. Louis and Kansas City, Mo. Representatives of the Trans-American Co. did open a racing distribution service in Fairmount, Ill., late in 1946, under the name of "Reliable News Service" and did commence to compete with Pioneer News Service in the distribution of racing news to bookmakers in East St. Louis, Ill., and surrounding territory.

From September 1946 on, St. Louis papers carried numerous stories of efforts of representatives of the Trans-American News Service to "muscle" in and take over the business of Pioneer News. At first, both Brown and Owen refused to do business with representatives of the Trans-American News Service. After continuous pressure over a period of months however, Brown, although he was one of the principal stockholders, did leave Pioneer and his long-time partner, Owen, to become the manager of Reliable News Service in Fairmount, Ill.

Owen, however, steadfastly refused to do business with the representatives of Trans-American and openly stated that the Chicago syndicate would have to shoot him and all other stockholders before they could take over his company. He also reputedly made deals with 22 bookmakers in St. Louis, Mo., and afterward openly stated

that the Capone syndicate would have to shoot these bookmakers as well as himself and other stockholders before they could take over his business. The papers continued to carry stories of the efforts of the Capone syndicate to take over Pioneer News Service by threats and intimidation and openly charged that gang war was imminent. My own investigations led me to believe that there was good foundation for such stories.

The chief of police of St. Louis believed them to be true and ordered all known gangsters jailed on sight in an effort to prevent gang war over control of the racing news service in St. Louis. Gov. Phil M. Donnelly and myself had numerous conferences about the St. Louis situation and what we could do about it. We came to the conclusion that if we could have the telephone service furnished Pioneer News Service, Inc., discontinued, we could eliminate bookmaking in St. Louis and eastern Missouri, put Pioneer News Service out of business and thereby prevent the threat of gang warfare over the control of such business.

We accordingly, on February 5, 1947, sent a telegram to Southwestern Bell Telephone Co. in St. Louis, Mo., which expressed our views and which I would like to read:

It is a matter of record that you furnish private telephone circuits between the premises of Pioneer News Service, Inc., 122 North Seventh Street, St. Louis, Mo., and the premises of various customers of Pioneer News Service, Inc. It is also a matter of record that Pioneer News Service, Inc., is engaged in the business of supplying its customers with rapid information concerning horse races conducted in various places in the Nation and that the customers of Pioneer News Service, Inc., are all engaged in the unlawful activity of recording and registering bets on horse races. The information furnished by Pioneer News Service, Inc. to its customers is given over the private telephone circuits furnished by you. The sole purpose of the information furnished by Pioneer News Service, Inc., to its customers is to aid and abet the customers in recording and registering bets on horse races. That you are aware of this fact is evidenced by the record in the case of *Pioneer News Service, Inc. v. Southwestern Bell Telephone Co.*, heard by the public service commission July 16, 1945.

It is our opinion that the telephone circuits furnished by you to Pioneer News Service, Inc., and its customers are used to communicate information within and without this State for the purpose of recording and registering bets upon horse races in direct violation of section 4674, RS Mo. 1939. It is our further opinion that the transmission of such information over said telephone circuits is aiding and assisting the making and establishment of a scheme in the nature of a lottery in violation of section 4704, RS Mo. 1939, and is contrary to the public policy of this State as announced in section 39 of article III of the constitution. The furnishing of such information to bookmakers, as aforesaid, has the natural tendency of drawing vicious and criminal elements from all over the country to the city of St. Louis which has resulted in endangering the public peace and safety of the citizens of St. Louis and Missouri and the creating of a public nuisance in violation of the laws of this State.

It is also our opinion that the telephone service furnished by you between the premises of Pioneer News Service, Inc., and the premises of various bookmakers in St. Louis is a direct violation of section 23, ordinance 29723, of the city of St. Louis.

It has been reported that rival news services are furnishing, or attempting to furnish, the same kind of service to bookmakers in St. Louis and surrounding territory as is furnished by Pioneer News Service, Inc. What is said here about the activities of Pioneer News Service, Inc., and its customers being illegal, applies equally to any other agency and its customers engaged in similar business.

It has also been reported that efforts of rival news services to obtain customers of Pioneer News Service, Inc., have resulted in bringing gangsters and other lawless characters from other States to the city of St. Louis and that a pending fight is imminent over control and dissemination of information to bookmakers which can only result in gangsterism, murder, and other lawlessness. We believe all law-abiding citizens should cooperate to prevent this threat to law and order.

Under your tariff on file with the public service commission, you are authorized to discontinue service upon notice from any law-enforcement official that such service is being used as an instrumentality to violate the law. Authorities from many jurisdictions hold it is not only your right but duty to do so.

As governor and attorney general, we hereby notify you that the service furnished by you between Pioneer News Service, Inc., and its customers is being used as an instrumentality to violate the laws of this State and the ordinances of the city of St. Louis. You are hereby requested to discontinue such service immediately and also similar services which may be furnished to any other agency and its customers. You are also requested to refuse service to any agency requesting similar service in the future. A prompt reply to this request will be appreciated.

PHIL M. DONNELLY,  
*Governor, State of Missouri.*  
J. E. TAYLOR,  
*Attorney General, State of Missouri.*

The following day we received a telegram from the Southwestern Bell Telephone Co., advising that it was complying with our request and that it had disconnected Pioneer's service and was arranging to follow up with the removal of equipment. Officials of the telephone company later told me they had left one telephone in the office for Owen to take care of his personal business. Although Pioneer threatened to bring legal proceedings against Southwestern Bell Telephone Co. for discontinuing its service, no action was instituted until March 18, 1949, over 2 years later.

Mr. BURLING. Mr. Attorney General, do you know of your own knowledge who represented Pioneer in the injunction suit you just testified about?

Mr. TAYLOR. As a lawyer?

Mr. BURLING. Yes.

Mr. TAYLOR. Mr. Morris Shenker.

Mr. BURLING. You may proceed.

Mr. TAYLOR. At that time Pioneer News Service, Inc., did file an injunction suit in the circuit court of the city of St. Louis asking that a writ of mandatory injunction be issued against the telephone company requiring it to restore Pioneer's telephone service, which had been disconnected in 1947. We intervened in this case and filed a motion to dismiss the cause on the grounds that the circuit court had no jurisdiction of the matter because under our statutes the public service commission had exclusive original jurisdiction.

After a hearing on our motion to dismiss the court ordered the Southwestern Bell Telephone Co. to restore the telephone service theretofore furnished Pioneer.

We thereafter filed in the Supreme Court of the State of Missouri a petition for a writ of prohibition against the circuit court of St. Louis.

On February 13, 1950, the supreme court made its writ of prohibition absolute and held that the judge of the circuit court of St. Louis had no jurisdiction of the matter. The supreme court, however, stayed its decision for 90 days to give Pioneer time to apply to the Supreme Court of the United States for a writ of certiorari, which it did on May 6. We filed a brief in opposition to the issuance of the writ of certiorari, and on October 9 the court denied Pioneer's petition for writ of certiorari. We again immediately requested the telephone company to discontinue its telephone service to Pioneer, and the company removed all but one or two of Pioneer's phones.

On October 10, 1950, Pioneer filed a petition in the Federal district court in St. Louis asking that Southwestern Bell Telephone Co. and the public service commission be enjoined from taking out its telephones. On October 12 we filed, on behalf of the Missouri Public Service Commission, a motion to dismiss Pioneer's petition, and on October 16, after a hearing, a three-judge Federal court sustained our motion to dismiss.

Thereafter, on November 14, Pioneer News Service, Inc., appealed from the ruling of the three-judge Federal court to the Supreme Court of the United States, and on November 29 we filed a motion to dismiss the appeal of Pioneer, or to affirm the decision of the three-judge court. Our motion has not yet been passed upon by the Supreme Court.

On October 16, 1950, after the three-judge Federal court had sustained our motion to dismiss Pioneer's petition, I requested the telephone company to remove any and all remaining telephones in Pioneer's offices, which was done, and so far as I know, since that time Pioneer News Service, Inc., has been without telephone service.

After Governor Donnelly and I had requested the telephone company to discontinue Pioneer's telephone service in February of 1947 and were advised by the telephone company that it had done so, we believed that Pioneer News Service was without any means of transmitting its racing-news information to bookmakers in St. Louis and adjacent territory in Missouri. However, after Pioneer News Service filed their suit on March 18, 1949, for a mandatory injunction in the circuit court of St. Louis to restore its telephone service, I learned that Pioneer had had telephone service continuously and had continued to broadcast their racing-news information to bookmakers over such telephones.

Officials of the telephone company informed me that Pioneer News had obtained this service by illegally connecting telephones obtained for other places of business with the telephone circuit leading into the Fullerton Building, where the Pioneer News Service office was located, which was done without the knowledge or consent of the telephone company. We later learned that Pioneer had wired into direct lines leased for the purpose of broadcasting music to various outlets and were using such lines to transmit racing-news information to bookmakers. The books and records of Pioneer News Service, Inc., reveal that during the period of time when it was supposed to have no telephone service, it had a place of business in an office located at 11 North Jefferson Street in St. Louis, Mo., and that this office had as many as nine telephones, one of which was used to receive the rapid transmission of racing news from Pioneer, and the others to rebroadcast it to bookmakers who were customers of Pioneer News Service. Pioneer also had an office in East St. Louis with three telephones.

Pioneer's records also show that in addition to the phone that was left in by the telephone company and which was paid for by check, Pioneer also had eight other telephones in the Fullerton Building, which were paid for in cash.

After the telephones were ordered restored by the circuit court of St. Louis in April of 1949 Pioneer again paid for all telephones by check.

A history of the racing-news service in Kansas City, Mo., also may be helpful in understanding the situation as it developed there. Simon Partnoy testified in a hearing in the circuit court of Jackson County that he had been engaged in the business, in one capacity or another, of supplying rapid race-horse information to persons in Kansas City and vicinity since 1924. In 1939 Partnoy operated the Eagle Scratch Sheet Publishing Co. in Kansas City, Kans., and received his information from Continental Press Service, of Chicago, having the exclusive territory of western Missouri, Iowa, Nebraska, Kansas, and Oklahoma.

In 1940 Partnoy operated his business from the Green Hills Night Club in Platte County, Mo., a few miles north of Kansas City. He later operated at Ninth and Broadway in Kansas City, Mo., for about a year and one-half, when he moved to the Railway Exchange Building in Kansas City, Mo.

During all this time he continued to receive his racing information from Continental Press until September 1946, when he began obtaining this service from Trans-American News Service, of Chicago, which had been organized shortly before to compete with Continental Press. After Partnoy began receiving his service from Trans-American he continued to serve the exclusive territory of western Missouri, Iowa, Nebraska, Kansas, and Oklahoma, as well as the same customers.

In October of 1946 a St. Louis newspaper carried a story charging that Capone representatives had taken over the operation and staff of the Harmony Publishing Co. in Kansas City at pistol point. A story which is believed in police circles in Kansas City is to the effect that representatives of Continental Press came to Kansas City to remonstrate with Partnoy after he had notified Continental in September of 1946 that he was discontinuing its service, and that these representatives were escorted out of town by Kansas City hoodlums.

In any event, Eddie "Spitz" Osadchey testified before the McFarland committee that he made a deal in August of 1946 with Pat Burns, who was the manager for the Trans-American News Service, of Chicago, to obtain racing-news service in Kansas City.

He further testified that he, Tano Lacoco, Morris Klein, and Charles Gargotta, all known gamblers and hoodlums, formed a partnership to operate a racing-news service in Kansas City and that they purchased Harmony Publishing Co. from Simon Partnoy for \$7,500 and 15 percent of the net income of the company, and agreed to pay him \$200 per week salary for managing the company.

Osadchey further testified in May of 1950 that Harmony Publishing Co. had been grossing about \$40,000 per year, and that about one-half of this was profit. He also testified that there was no force or intimidation used in taking over Partnoy's business, and that it was a good deal for Partnoy.

An examination of the books and records of Harmony Publishing Co., however, reveals that at the time they took the company over from Partnoy it was grossing approximately \$175,000 per year. Harmony Publishing Co., when it received its service from Continental Press, was getting its racing information by Morse code and decoding same and rebroadcasting it over a battery of telephones to bookmakers in Kansas City, Mo., and Kansas City, Kans., and surrounding territory.

Harmony also was retransmitting this information by teletypewriter to various points in Iowa, Nebraska, Kansas, and Oklahoma. While

doing business with Trans-American News Service, after quitting Continental, Harmony continued to receive its information by Morse code and to retransmit same in the same manner and to the same territory and to the same customers served when it obtained service from Continental. However, after Trans-American News Service went out of business in June of 1947 Harmony started getting its racing news information from Midwest News Service of Chicago, Ill., over a Western Union ticker circuit and no longer served the territories of Iowa, Nebraska, Kansas, and Oklahoma. In January of 1949 Harmony commenced receiving its service from General News Service Bureau of Chicago, Ill., and did until it closed in May of 1950.

On March 11, 1947, Governor Donnelly and I sent a telegram to the Southwestern Bell Telephone Co. at Kansas City, Mo., similar to the telegram sent to Southwestern Bell Telephone Co. in St. Louis, notifying the telephone company that the telephone service furnished Simon Partnoy, doing business as Harmony Publishing Co., was being used as in instrumentality to violate the laws of Missouri, and requesting that the telephone company discontinue such service. The telephone company immediately disconnected the service furnished Partnoy, but on the same day Partnoy filed a petition for injunction in the circuit court of Jackson County and obtained a mandatory temporary restraining order ordering the telephone company to restore his telephone service.

We immediately, on behalf of the State of Missouri, filed a motion to intervene, which was allowed, and a motion to dismiss the complaint and to dissolve the temporary restraining order on the ground that the circuit court had no jurisdiction over the matter because the public service commission had exclusive original jurisdiction.

Thereafter, Partnoy filed a complaint before the public service commission against the Southwestern Bell Telephone, asking the commission to make an order requiring the Southwestern Bell Telephone Co. to continue his telephone service.

On March 20, 1947, a hearing was held in the circuit court of Jackson County on our motion to dismiss, which the court overruled. At that time, the court made its temporary restraining order a temporary injunction and stated it would be in effect until a hearing could be had before the public service commission.

On April 29, 1947, a hearing was had before the public service commission, and at this hearing we introduced a great deal of evidence which, in my opinion, conclusively showed that Partnoy had no other customers than bookmakers, and that he was knowingly aiding and abetting them in their illegal enterprise by furnishing them rapid race horse information which it was necessary for them to have to carry on their bookmaking business.

The public service commission on June 13, 1947, decided that the services furnished Partnoy were being used as instrumentalities to violate the laws of the State of Missouri and dismissed Partnoy's petition.

On June 30, 1947, we filed another motion in the circuit court of Jackson County to dissolve the temporary injunction restraining the telephone company from discontinuing Partnoy's service and a hearing was had on such motion September 9. The court at this time took the motion under advisement.

On July 15, 1947, Partnoy filed a petition for a writ of certiorari in the circuit court of Cole County to review the decision of the public service commission and the writ was issued.

We again intervened and the case was submitted to the circuit court of Cole County on October 18 and both sides were granted time to file briefs. After a number of extensions of time for filing briefs obtained by Partnoy, the circuit court of Cole County affirmed the order and decision of the public service commission and thereafter, on March 3, Partnoy appealed from the decision of the circuit court of Cole County to the Supreme Court of Missouri.

After numerous delays and continuances obtained by Partnoy, the case was finally briefed and argued in the supreme court on January 25, 1950. Thereafter, on February 11, without any notice to us, Partnoy filed a motion to dismiss his appeal, which was sustained by the court. We were very anxious to obtain the decision of the supreme court for our guidance in the future. We were particularly anxious to have the validity of the telephone company's tariff, which provided that a telephone company could discontinue service at the request of the law enforcement officer, determined as its validity had been questioned by the supreme court in the prohibition suit involving Pioneer News Service, although the question was not at issue in that case. We were also desirous of having the court pass on the right of the telephone company to discontinue service, regardless of its tariff under the facts produced at the hearing before the public service commission. We, therefore, filed a motion to set aside the order of the supreme court dismissing Partnoy's appeal and vigorously contended that we were entitled to a decision on the merits. The court, however, overruled our motion.

Immediately after our motion was overruled and the decision of the Public Service Commission was final, I again immediately requested the circuit court of Jackson County to dismiss its temporary injunction, which it did not do.

On May 8, 1950, we filed in the circuit court of Jackson County a motion requesting the court to render its decision upon the motion of the State to dismiss the complaint and dissolve the temporary injunction which had been filed on June 30, 1947.

On May 11, 1950, a hearing was had on our motion and the court dissolved the temporary injunction and dismissed Partnoy's complaint.

Immediately thereafter I demanded that the telephone company not only disconnect, but immediately remove all telephone equipment from Harmony's office. As the place of business was locked it was necessary that we obtain a search warrant, which was done, and all of the telephone equipment in Harmony's office was finally removed.

From our efforts to have the telephone service furnished the racing news distribution agencies in Missouri discontinued, and the extended litigation that resulted therefrom, it is apparent that stopping the rapid dissemination of racing information to bookmakers in Missouri is not as easy as it appeared to me to be early in 1947 when Governor Donnelly and I ordered the discontinuance of such service. I also now know that Continental Press Service of Chicago and not the local news distributing agencies in Missouri is the fountainhead of the bookmaking business in Missouri and throughout the country. It is com-

mon knowledge that if we had been successful in our early efforts to have had the telephone services of Harmony Publishing Co. in Kansas City discontinued that it had made definite plans to operate its business in Kansas City, Kans. Furthermore, the services formerly furnished by Harmony to Iowa, Nebraska, Kansas, and Oklahoma could very well have been furnished to Missouri from a distributing point in any of these other States. That the rapid dissemination of horse race information to bookmakers is an interstate proposition which cannot be controlled by authorities is evident from the fact that the race horse information received in St. Louis originates in Chicago, Ill., and is then redisseminated back to bookmakers in Illinois. Also, the information received in Kansas City, Mo., which came from Chicago, was redisseminated to four other States.

I have no doubt that some under-cover bookies in Missouri are still obtaining directly, or indirectly, the racing service furnished by Continental from some source either within or without the State.

MR. BURLING. May I interrupt you a moment, Mr. Attorney General?

MR. TAYLOR. Yes, sir.

MR. BURLING. Mr. Chairman, at this point, and to corroborate what the attorney general is saying, I would like first to read one or two items taken from the books of Pioneer News Service and then to offer an exhibit. This is a staff exhibit taken directly from the books which were obtained by subpoena. I am not reading the entire entries but on December 27, 1950, somebody named Fannie paid Pioneer \$50, presumably for something. Somebody named Vogt—now whether it's the same Vogt that was referred to by Mr. Robinson as shown on the chart—I am advised it is not; at any rate he paid \$112.50 for something, and a man named Carroll—well, there is a man who will be a witness here, but whether it is the same Carroll or not, I don't know, but he paid \$350, presumably for something, and this is the very end of 1950.

And then we come to this very year, just picking these up at random, somebody named Fannie again paid \$50 to Pioneer, presumably for something, and Carroll paid \$350, presumably for something.

I ask leave that this memorandum be marked in evidence as a summary of the cash receipt book, is it—

THE CHAIRMAN. Yes; let it be made a part of the record. I think that there should be an explanation that these \$50, \$75, or \$350 payments were per week and not per year.

MR. BURLING. Oh, no, I merely identified the years. We have the last week in January, the first week of February—I mean, the last week in December and the first week in January. So as late as January 1951 large sums of money were being paid to Pioneer and we know of no business except the business which the attorney general has described.

THE CHAIRMAN. Let it be made a part of the record.

(Said document referred to is marked for identification as "Exhibit No. 43," and appears in the appendix on p. 795.)

THE CHAIRMAN. Proceed, Mr. Taylor.

MR. TAYLOR. If the transmission of this racing information by Continental or any other similar agency in interstate commerce could be stopped it would, in my opinion, eliminate racing news distributing agencies, take the profit out of bookmaking and prevent a great deal

of gangsterism which results from fights over the control of such illegal enterprises.

Continental Press Service is a giant monopoly whose slimy tentacles reach into every metropolitan area in the country. It serves no useful purpose; its sole business is supplying information to bookmakers which enables them to carry on their illegal enterprises. It has brought about and financed gangsterism; it has caused bloodshed and led to the corruption of public officials. That it not only knows the kind of business its customers are engaged in, but also the volume of business they do is evident from the fact that they charge some customers a few hundred dollars a week and others as much as \$6,000 a week for the same service; that the news distributing agencies which retransmit this information not only know that their customers are all bookmakers but also know the volume of business they do is evidenced by the fact that they charge some of their customers only a few dollars a week and others hundreds of dollars a week for the same service.

Continental Press, by reason of having a monopoly on the dissemination of this news can, and does, control its customers and, indirectly at least, the bookmakers who ultimately receive the information. The only way to prohibit the dissemination of this information, and the evils that result therefrom, is by Federal legislation.

In conclusion I would like to state that, in spite of the adverse publicity Missouri has received in recent times, there is now no open or notorious gambling in the State, and to my knowledge there has been none during the past 6 years. Of course there is under-cover gambling and bookmaking as there is in all metropolitan areas. These under-cover gamblers are constantly harassed, raided, and prosecuted. The constant threat of wide-open gambling, however, is always present. Hope springs eternal in the breasts of all gamblers. They constantly watch for the slightest sign of apathy on the part of law enforcement officials. That this threat has not materialized in Missouri is due to the constant vigilance of both State and local law enforcement officials.

The CHAIRMAN. Thank you very much, Mr. Taylor. Any questions, Mr. Burling?

Mr. BURLING. I have a couple of questions, Mr. Chairman. You have been struggling, so to speak, with the Pioneer News Service for at least 4 years, if I understand you correctly, sir.

Mr. TAYLOR. Since February of 1947.

Mr. BURLING. Have you learned during those 4 years of any customer of Pioneer News who was not either himself a bookmaker or a subdistributor to bookmakers?

Mr. TAYLOR. William Molasky, one of the principal stockholders claims that he isn't, he gets the service and publishes the scratch sheet.

Mr. BURLING. Well, with the—

Mr. TAYLOR. That's the only one I know of that is not either a bookie or uses the information to supply other bookies with.

Mr. BURLING. So that with the exception of a man who has a 35 percent as—he and his wife I believe it is—have 35 percent interest in Pioneer, who says that he doesn't use the information illegally? You don't know of anybody that buys from Pioneer for an honest purpose?

Mr. TAYLOR. Not what I consider an honest purpose.

Mr. BURLING. You have given us a very full account and a very valuable account of the litigation in Missouri to cut out the wire service. I think the committee would be interested in knowing what attitude the telephone companies took—I don't mean that they shouldn't obey, of course they aren't required to obey, in their own propriety they would obey any court order, but did they cooperate with you? Did their counsel consult with you in this litigation?

Mr. TAYLOR. We worked together in the course of the litigation, both the counsel in St. Louis and in Kansas City. They didn't have as much interest in it as I did.

Mr. BURLING. You wouldn't say they went out of their way to help you win this litigation?

Mr. TAYLOR. I believe they were interested in winning it. They were not only enjoined but the original petition asked \$100,000 damages against them.

Mr. BURLING. Excuse me—

Mr. TAYLOR. I don't know how to—I was very much interested in having this service discontinued because I felt it was my duty as a law-enforcement official to have it discontinued and to enforce the law. They took the position that they weren't a law-enforcement officer, it wasn't their duty to do this policing, but now they did give me a good deal of valuable help.

Mr. BURLING. Did they ever enter an appearance by counsel as amicus curiae?

Mr. TAYLOR. They were the defendants in practically all of this litigation, they were a party and we intervened in it as defendants.

Mr. BURLING. I see. The State of Missouri was an intervenor?

Mr. TAYLOR. Yes, sir.

The CHAIRMAN. Mr. Taylor, you said that you didn't think there had been any large, notorious gambling operations in the State of Missouri in the last 6 or 7 years?

Mr. TAYLOR. Pardon me if I said that. I thought I said "open".

The CHAIRMAN. Open?

Mr. TAYLOR. Or notorious gambling. I know of some large operations.

The CHAIRMAN. But there was quite an effort made at one time by a group headed up by Binaggio and Gargotta to make some inroads and to open up certain places, wasn't there?

Mr. TAYLOR. Well, it's a matter of common rumor and has been reported in all the metropolitan papers that they had high hopes of opening up and as I said in my statement, that gamblers seem to always have hope and are always ready, willing, and anxious to try at the slightest sign of—

The CHAIRMAN. You have read the printed copy of the hearings of our committee in Kansas City in which we showed that in Jackson County, I believe that is the county, isn't it?

Mr. TAYLOR. Yes, sir.

The CHAIRMAN. That before this murder that there was a—where a good many big-sized operations in Jackson County, particularly outside of the city limits—

Mr. TAYLOR. Yes, sir; I may not have read—I read the accounts of it at least.

The CHAIRMAN. Well, then for your information there were a good many sizable operations, and some of them were rather open and notorious in Jackson County, and I say in fairness that most of them I think, were outside of the city limits in the county proper. Now Mr. Taylor, as the chief law-enforcement officer of the State you did, I believe, make some investigation of the murder of Binaggio and Gargotta?

Mr. TAYLOR. I was instructed to aid and assist the law-enforcement officials of Kansas City and Jackson County and the highway patrol and all other officers that participated in that investigation. It was my duty mainly to try to coordinate their work and to see that everyone had all the information that the other agencies had, and of course, I did try to investigate to some extent on my own.

The CHAIRMAN. We have been furnished with a letter that you wrote on April 27, 1950, to one of your assistants in which you stated a conclusion. Do you still have that conclusion or do you want to state what it was or whether you have reached a different conclusion as to how the matter took place?

Mr. TAYLOR. May I see that letter, Senator? It is not fresh in my mind what conclusion I had in that letter.

The CHAIRMAN. Well, suppose that the—the letters are rather long, and suppose that we, you look them over during noontime, perhaps we can pursue that matter further after lunch. Would that be all right?

Mr. TAYLOR. Whatever the chairman says.

The CHAIRMAN. All right. You have told about, and I think the record should show here who these people were that Partnoy had a little wire service in Kansas City, which he was getting news service from Chicago, then that Trans-American, which is allegedly the Capone outfit wire service, was started in competition got as their representative Osadchey, who is otherwise known as "Spitz"; is that correct?

Mr. TAYLOR. Yes, sir.

The CHAIRMAN. And Laeoco, who has a substantial criminal record; isn't that true, Tano Laeoco?

Mr. TAYLOR. I don't know about his record; I know he has—I know of his reputation.

The CHAIRMAN. Yes. Well, our records show he is a big-time and vicious racketeer, and then the next partner in this new set-up was "Snags" Klein, who is perhaps still serving time, I believe, in either a Federal or State institution; is that correct?

Mr. TAYLOR. Federal institution.

The CHAIRMAN. And also Gargotta, who we know about.

Mr. TAYLOR. I don't know where he is serving.

The CHAIRMAN. These were about four of the worst, at that time, were about four of the worst racketeers and gamblers in that part of the country who got the Trans-American franchise and then somehow or another Partnoy suddenly found he was working for them, that they were the news service; isn't that correct?

Mr. TAYLOR. Yes, sir.

The CHAIRMAN. We had a parallel case of that sort down in Louisiana where a fellow named Fogarty had a service and Marcella et al. muscled in. Then here you had a little bit different situation; you

had Brown and Owen with the service, and first, for some way, Molasky, Ragen, and Annenberg got half of it; isn't that true?

Mr. TAYLOR. Yes, sir.

The CHAIRMAN. And then for some reason when the Reliable Service, which was opened up across the river, they were able to persuade, or in some manner get Brown to come over and run the Reliable Service?

Mr. TAYLOR. Yes, sir.

The CHAIRMAN. Do you know who his partners were in the Reliable Service?

Mr. TAYLOR. I have read the names that have been testified as being his partners, I don't believe that I can call them off.

The CHAIRMAN. Well, I think that will come out later in our hearings; won't it, Mr. Robinson?

Mr. ROBINSON. Yes.

The CHAIRMAN. All right. We'll develop that. Anyway though, he was associated with some people of not the best reputation, to put it mildly; is that correct?

Mr. TAYLOR. Yes, sir.

The CHAIRMAN. Mr. Taylor, from your experience of this litigation since early 1947, which you have had one battle after another trying to do something with the wire service here and in Kansas City in matters still pending, and although the service is cut off it crops up in some other way, you feel that for service that doesn't perform any useful purpose, merely for the fostering of transactions in violations of the law of the State that it is proper for the Federal Government to step in and do something about it? Is that your feeling?

Mr. TAYLOR. Yes, sir; I think it is proper, and I think they are the only ones that can do it.

The CHAIRMAN. I think it is fair to say that you are a man who believes in States keeping all rights and powers, that they can do better, that is correct; isn't it?

Mr. TAYLOR. Yes, sir. I don't believe in the Federal Government taking over State functions in any field.

The CHAIRMAN. This is, of course, an interstate commerce problem and as you say, if you, unless you can handle it at the interstate commerce line it is very difficult to keep your foot on it, is that correct?

Mr. TAYLOR. Yes, sir.

The CHAIRMAN. Well, Mr. Taylor, we appreciate the statement that you have prepared here. It gives us a good history of the rather uphill fight which you have had and your activity in connection with wire services. I think it is fair to say that you deserve to be commended for the persistence with which you pursued the matter, and if you would look at these two—treat them in confidence, I'll discuss them with you later if you will be back at, say about 15 minutes of 2?

Mr. TAYLOR. Whenever you say, sir.

The CHAIRMAN. All right, sir, thank you. Now, before recessing for lunch we'll have two witnesses together, George Wheeler and Delmar Coalby. I think if they would come together that we can let them testify at the same time. Mr. Wheeler and Mr. Coalby, are you here?

**TESTIMONY OF GEORGE E. WHEELER AND DELMAR COALBY, EAST ST. LOUIS, ILL.**

The CHAIRMAN. Do you swear the testimony you will give this committee will be the whole truth, and nothing but the truth, so help you God?

Mr. WHEELER. I do.

Mr. COALBY. I do.

The CHAIRMAN. Now, Mr. Wheeler, before Counsel Burling takes over, you are George Wheeler?

Mr. WHEELER. Yes, sir.

The CHAIRMAN. Where do you live?

Mr. WHEELER. East St. Louis, Ill.

The CHAIRMAN. That is in what county?

Mr. WHEELER. St. Clair.

The CHAIRMAN. What business are you in?

Mr. WHEELER. I am the educational director of the Winstanley Baptist Church.

The CHAIRMAN. Educational director of the—

Mr. WHEELER. Winstanley Baptist Church.

The CHAIRMAN. You, Mr. Coalby, where do you live?

Mr. COALBY. I live at 111 Hazel Avenue, East St. Louis.

The CHAIRMAN. What do you do?

Mr. COALBY. I am a railroad solicitor.

The CHAIRMAN. Railroad—

Mr. COALBY. Solicitor.

The CHAIRMAN. Solicitor?

Mr. COALBY. Yes, sir.

The CHAIRMAN. You both seem to be comparatively young to me.

Mr. WHEELER. Thirty-seven, myself.

The CHAIRMAN. All right, Mr. Burling, will you ask either or both of them?

Mr. BURLING. Mr. Coalby, you have with you a prepared statement and I would, with the chairman's permission, ask you to put it in the record, but because it is so late, Mr. Chairman, I suggest that I try to lead the witness through the highlights of it a little more rapidly than going to read the whole thing now.

The CHAIRMAN. Well, if he wants to read his statement we'll let you read your statement, if you would rather file it and then tell us about it, that would be the way we prefer.

Mr. WHEELER. It's rather short, it's about 5 minutes. It doesn't really make any difference.

Mr. BURLING. Will you go ahead and read it, Mr. Wheeler?

Mr. WHEELER. My name is George E. Wheeler and I reside at 630 North Eighty-seventh Street in East St. Louis, Ill., and I have been a resident of St. Clair County since 1927.

There has been very little time between 1927 and the present time that wide-open commercialized gambling has not been tolerated by the elected officials of our cities and county. Slot machines, commonly called one-armed bandits were, and are now, quite prevalent in various locations in our county. It seemingly has not been against the scruples of our duly elected law enforcement officials to permit these slot machines to openly operate in such places as drug stores, confectionaries and even grocery stores. To name one, the Tri-City

Packing Co., formerly located on the southeast corner of Collinsville and St. Louis Avenue, where slot machines were conveniently placed for receiving any change one might have left after buying his groceries. The complaint of parents has been that their children of primary school age were playing the slot machines with their lunch money.

Not only were slot machines openly tolerated, but a nationally known vice district known as The Valley was operated without interference from officials whose offices were less than one block away. Frequent gang murders went unsolved in the underworld war for the lucrative territory known as the East Side.

In addition, several bookies were allowed to function without interference from officials who had sworn to uphold the laws of our county and State. Mr. John T. English has never repudiated the statement he was quoted as having made while police commissioner of East St. Louis, Ill., that—

as long as pari-mutuel betting was allowed at Fairmount race track, he would do nothing to close the illegal bookies operating in East St. Louis, and besides that, it would throw a lot of people out of work.

A statement condoning his own laxity of law enforcement, coming from our own commissioner of police, such as that, made decent people wonder, "Just where do we go from here?"

For many years, out of respect for, or fear of, grand juries, the bookies would always close their places of business during the sessions of the grand jury.

In September 1946, I received a summons to serve as grand juror of St. Clair County during the September term of court. Along with others on the grand jury I was aware of these intolerable conditions existing in our city and county and also aware of the remote possibility of our elected officials doing anything to correct said conditions.

With a desire to serve our community to the best of our ability we determined to do as much as was in our power to correct these conditions. In addition to the grand jurors having first-hand knowledge of the prevailing condition, the newspapers of the area were constantly calling the public's attention to the lack of law enforcement by our elected officials. The grand jurors, made up of laymen, expressed a desire to the State's attorney to have the reporters responsible for the published articles to appear before the jury for questioning. We were not instructed by the State's attorney to subpena the desired witnesses, but were allowed to "invite" such witnesses, which we did. The net result was that the witnesses did not respond to the invitation.

Mr. BURLING. Excuse me, I think the record ought to show you have got the word "invite" in quotes, is that right, sir?

Mr. WHEELER. I wanted that to stand out.

Mr. BURLING. You didn't read the quotes. I wanted the record to show the quotes. You want it read with quotes around the word "invite"?

Mr. WHEELER. That is right.

Mr. BURLING. Thank you.

Mr. WHEELER. The grand jurors, when adjourned, were under the impression they would be recalled in 2 or 3 days to hear the newspapermen. After having heard nothing from the presiding judge or

our jury foreman in 10 days' time, I personally telephoned the grand-jury foreman inquiring if he intended to call the jury back into session, which, in his capacity, as foreman, he could do.

I was told in no uncertain terms by him that, "I have enough business of my own to attend to without trying to mind someone else's business."

I immediately telephoned the presiding circuit judge at Belleville, who had impaneled the jury, and asked if he intended to call the jury back into session. He gave me an oral promise that he would do so very shortly.

After several days had passed with no word from him I called again and was informed that he had gone hunting and forgotten his promise. I asked for a personal interview with the judge and went to Belleville to his offices. He asked me when we wanted the jury recalled and I told him that inasmuch as there was an election coming up shortly and that the jury did not want any investigation of existing conditions to appear to be of a political nature that we would wait until the day after the election. He gave me his oral promise to recall the jury on Wednesday following the election. However, he did not do this.

Realizing that if we wanted to get back into session we would have to use other means of doing so, we resorted to a written petition, setting a deadline for our recall; same being signed by several of the grand jurors. The judge was notified that this was being done. Several grand jurors refused to sign the petition because of fear of physical violence upon their person. The petition was dispatched to the judge by registered mail. The day before the letter was mailed the jurors received notification to reconvene on December 9.

In the meantime, between September and December, the grand jurors had carried on an extensive investigation of prevailing crime conditions, and at the same time, compiling a list of witnesses we wanted subpoenaed. The conditions we found were appalling. Lax law enforcement was evident at every turn. For the first time in memory the bookies had defied the grand jury and had remained open all during our term as jurymen, thus contributing greatly to the evidence we were compiling. The more prominent places visited were: Roy Bowman's, located on the southeast corner of Main and Broadway in East St. Louis, Ill., where we found several commercial card games in progress, along with 14 slot machines lined up against the west wall of the establishment. Going up the street to 319a Missouri Avenue we found a very similar condition existing, this place being known as Vic Doyles and being only one block from the city hall and police station. Several like establishments were investigated.

Unmistakable evidence pointed to the fact that our public officials could not but be aware of these conditions existing. As a consequence of our investigation the grand jury indicted for "nonfeasance of office" the following officials, whom we deemed responsible for existing conditions: John T. English, commissioner of police for East St. Louis; John T. Connors, mayor of East St. Louis, Ill.; A. P. Lauman, Joseph W. Ganschineitz, city commissioners of East St. Louis, Ill.; Leo J. Dougherty, retired commissioner of streets; George Gruenewald, former sheriff, along with Roy Bowman and Vic Doyle, gamblers and operators of the investigated gambling establishments.

The jury, fearing a group indictment might not name the officials responsible for enforcement of the gambling laws, instructed the

State's attorney to draw up individual indictments, which he did. However, on his own volition, and without instructions from the grand jury, he drew a group indictment also. He made the explanation that, "It would be more difficult for them to get from under the indictments if we had both kinds."

When the indictments came up for hearing in circuit court, the State's attorney asked the judge to quash the individual indictments, on the ground he had a group indictment which should be sufficient. This the presiding judge did.

At a later hearing the group indictment was quashed, in part, because it did not directly name the individual responsible for endorsement of the gambling laws, and because of glaring faults in the wording of said indictment. This was the indictment drawn without instructions from the jury.

At a later date, during the term of the grand jury which followed the September jury, the State's attorney and his staff of assistants were indicted upon the testimony of a number of persons who had served on the September grand jury, the charge being that an indictment had been willfully drawn up in such a manner that it would have to be quashed.

Throughout our term as grand jurors the State's attorney was very uncooperative concerning the gambling investigations and outside help of a legal nature had to be sought.

Following this investigation and subsequent indictments, conditions improved for a time. However, present conditions leave much to be desired. Conditions appear at their worst in the 2 or 3 months preceding major election days.

Mr. BURLING. Thank you very much, Mr. Wheeler. I think that is a very clear picture of what would appear from this testimony to be a very shocking condition.

The CHAIRMAN. Mr. Wheeler, we have some inquiry about the situation in East St. Louis last July or August, certain places were called attention to. Have these places been closed up or are they still operating, or what is the situation?

Mr. WHEELER. From personal experience I wouldn't know, but I understand from what I can hear around from friends—

The CHAIRMAN. Just what you know, let's just talk about what you know.

Mr. WHEELER. That's right; I couldn't say.

The CHAIRMAN. Well, do you think the situation is better now than it was?

Mr. WHEELER. Very little.

The CHAIRMAN. Well, you have always had sort of a coalition that operated over there, haven't you?

Mr. WHEELER. That is right.

The CHAIRMAN. Explain that, how that works.

Mr. WHEELER. Well, from personal knowledge and from what I would say it's what they call bipartisan politics, and the political leaders will ordinarily have two slates of candidates and no matter which one is elected they are "it".

The CHAIRMAN. You mean both leaders of both groups are it?

Mr. WHEELER. They are all together in one political coalition and they put up two slates, one Democratic and one Republican, and no matter which one's elected, they are still in charge.

The CHAIRMAN. So it is sort of a bipartisan effort, doesn't make any difference who gets elected?

Mr. WHEELER. That is right.

The CHAIRMAN. Has that been the situation over there for quite a while?

Mr. WHEELER. Several years.

The CHAIRMAN. So you don't think crime is a partisan affair?

Mr. WHEELER. That is right.

The CHAIRMAN. All right, sir.

Mr. BURLING. May I ask a question to see if I can get this clear in my mind, Mr. Chairman?

The CHAIRMAN. All right, sir.

Mr. BURLING. In other words, if I understand you, Mr. Wheeler, if I am a Republican leader X, I'll support both slates and so I win either way, and if I am a Democratic leader Y, I support both slates and so I win either way, is that about it?

Mr. WHEELER. Well, publicly they support one or the other.

Mr. BURLING. Well, publicly or privately?

Mr. WHEELER. Well, privately it's always termed publicly but it's always turned out that the slate that got in was part of the same machine.

Mr. BURLING. Privately it doesn't matter?

Mr. WHEELER. That is right.

Mr. BURLING. Mr. Coalby, will you read your statement, please.

Mr. COALBY. My name is Dehmar Coalby and I reside at 111 Hazel, East Louis, Ill.

For years vice and commercialized gambling have been common in all parts of St. Clair County, and especially in the city of East St. Louis.

Throughout the county people knew of the infamous "Valley" located within the city limits of East St. Louis where prostitution openly flourished for years. It was not until the Army and Navy officials protested vehemently that this area was closed. However, with the closing of the "Valley," prostitution then spread to the road-houses and taverns outside the corporate city limits where this vice still flourishes.

Commercialized gambling in the East St. Louis area reached its peak during the summer of 1946. Anyone walking down the streets of downtown East St. Louis could hear the blare of loudspeakers giving the call of the running of the horse races and the race track mutuel results.

I personally visited several of these establishments out of curiosity and anyone who wished could place bets without question. In addition to the horse race gambling, blackjack games were in open progress in taverns, at least one large crap game was openly running, and the places were openly soliciting business. Slot machines were in evidence in most taverns, confectioneries, and even drug and grocery stores.

This wide-open gambling was an open invitation to the concentration of many undesirable persons in the community. Civic-minded people began to wonder what could be done in St. Clair County where public officials would take no action in the fulfillment of their sworn duties. Vice and crime were so extensive that they could only have

been caused by the failure of law-enforcing officials to do their duty.

As a grand juror in 1947, the instructions of the judge impaneling our jury was—and I quote:

You are here to do your duty and rid this county of crime. Your duty is to inquire into crimes committed lately in this county—such an investigation need not be confined to cases presented by the State's attorney.

You heard Mr. Wheeler tell you of indictments returned by the grand jury of which he was a member. The indictments by ruling of the circuit court were faultily drawn. The State's attorney had suggested appeal but no action resulted until our grand jury discussed the merits of the indictments, the evidence governing and agreed on return of corrected indictments. This was during the morning session. Immediately following lunch recess the State's attorney advised our jury appeal would be taken to the appellate court. Further, the State's attorney's assistants tried to discourage our investigation. We were charged with playing politics.

By our own action we voted indictments against the State's attorney and his assistants, but when we sought legal assistance and advice of the circuit judges they could not be located by the clerk of the circuit court. We were getting the same cooperation as the grand jury of which Mr. Wheeler was a member. To insure the judges being available we issued subpenas for them.

After our grand jury had been impaneled, in April 1947, we were plagued by an utter lack of cooperation on the part of public officials. My associates on the jury told of pressure being brought to bear to keep from disturbing the status quo of the community. We reindicted the officials who had been previously indicted by the former grand jury as well as others whose activities had come under our scrutiny.

We made a report to the judge of the court at the time that we were excused and excerpts from the report are as follows:

The January term of the St. Clair County grand jury has completed its task to the best of its ability and initiative.

It is also desired to record the fact that it is unanimous and has been during the entire term to adjust the wrong, eliminate where possible by its power such cases of graft, corruption and to destroy any political coalition in its alliance with illegal or unlawful elements which pays into or feeds corruptive politics.

This grand jury as a unit desires to recommend that in these indictments that are returned and where the defendants are found guilty that the maximum penalty shall be before the eyes of the court in the passing judgments.

Our grand jury returned all the indictments that had been issued by the previous grand jury, including conspiracy indictments against some of the public officials.

The State's attorney was instructed to issue individual indictments in all cases as well as a blanket indictment on the public officials and gamblers. For some reason unknown to the grand jurors all of these indictments were quashed or dismissed.

The sum total effects of what the East St. Louis politicians refer to as the "run-away grand jury" has been to curtail open gambling somewhat. Gambling is still being carried on in St. Clair County on a "sneak" basis largely because of the fear of possible action by the Governor of Illinois and partly through fear of the current Senate committee investigation. In the absence of proper law and proper law enforcement we expect East St. Louis and St. Clair County to

blossom out again in all forms of gambling as it has been for years past.

Mr. BURLING. To sum up what I take you two gentlemen have to say about crime conditions in East St. Louis are that things are and have been wide open there for some time, is that correct?

Mr. COALBY. That is correct; yes, sir.

Mr. BURLING. That is all I have, Mr. Chairman.

The CHAIRMAN. If I understand the matter correctly about these two juries, first Mr. Wheeler was on a grand jury and this grand jury returned indictments both individually and collectively, is that correct?

Mr. WHEELER. That is correct.

The CHAIRMAN. And for some reason or other the individual ones were dropped and the joint indictment was proceeded upon which turned out to be faulty; was appealed to the appellate court which found that it was faulty, is that correct?

Mr. COALBY. That is correct.

Mr. WHEELER. That is right.

The CHAIRMAN. And then some of you people over there didn't like that procedure much so then another grand jury was organized, of which you, Mr. Coalby, were a member?

Mr. COALBY. That is right.

The CHAIRMAN. You returned individual and joint indictments but somehow they got quashed, is that correct?

Mr. COALBY. That is correct; yes, sir.

The CHAIRMAN. Where did they get quashed?

Mr. COALBY. They got quashed in the circuit court, between the prosecuting attorney and the circuit judge's.

The CHAIRMAN. You agree with Mr. Wheeler that sort of a bipartisan effect is in control over there?

Mr. COALBY. Yes, sir.

The CHAIRMAN. Who are the leaders of the two groups? if you know.

Mr. COALBY. Well, supposedly one of them is Mr. McGlynn.

The CHAIRMAN. What group is he the leader of?

Mr. COALBY. I think he's Republican, isn't he?

Mr. WHEELER. I think so.

Mr. COALBY. He's a Republican, I'm sure.

The CHAIRMAN. Who is the leader of the other group?

Mr. COALBY. Well, English is in the faction.

The CHAIRMAN. All right, those are matters we'll get to later on. But you find that whoever gets elected, which ticket, why, it's always due to the same thing?

Mr. COALBY. That is right.

The CHAIRMAN. In fairness, isn't the situation better over there now than it has been during the last 8 months? Hasn't it been a good deal better?

Mr. COALBY. Yes; I think it has for the reason that it's not open gambling and there are some bookie shops still operating, but it's on a sneak basis and it's not openly soliciting bets like they had in former years.

The CHAIRMAN. Has the Mooney-Carroll organization been moved out, do you know?

Mr. COALBY. That I don't know.

Mr. WHEELER. One other thing that might have a bearing on the interstate angle of it, a grand jury I was on returned around 60 indictments of various kinds, and I'd say 80 percent of them had to do with tavern operations, and in each case knowing this investigation was coming up we asked these witnesses, on other cases, whether or not there were slot machines in the establishments where this so-called crime happened, and they invariably said "Yes." And in one case, a burglary, a slot machine was stolen and the man didn't even know who it belonged to.

The CHAIRMAN. Now, the taverns are both in the city and out in the county, too?

Mr. WHEELER. Yes, sir.

The CHAIRMAN. Are there more of them in the county or more of them in the city?

Mr. WHEELER. I just couldn't tell you.

The CHAIRMAN. Who is the sheriff of St. Clair County?

Mr. WHEELER. At the present time Fisher, isn't it?

The CHAIRMAN. I was asking you, you ought to know.

Mr. WHEELER. Adolph Fisher.

The CHAIRMAN. Adolph Fisher. What are the other incorporated towns in St. Clair County?

Mr. COALBY. Belleville.

The CHAIRMAN. What else?

Mr. WHEELER. Dupo.

Mr. COALBY. Milstadt, Muscoutah, Freeburg, New Athen, those are the larger ones.

The CHAIRMAN. Is Max Hill the sheriff or is Mr. Fisher?

Mr. COALBY. He's the new sheriff.

Mr. WHEELER. He just went in office.

The CHAIRMAN. Yes; the sheriff just gone out is 'Dolph Fisher. I think that is all.

(Witnesses excused.)

The CHAIRMAN. We want to check to see whether some witnesses we haven't heard from are here. Frank Wortman, is he here? I believe a subpoena was served on Mr. Wortman.

Mr. BURLING. That is correct, Mr. Chairman.

The CHAIRMAN. And that he has been notified by registered mail and by telegram that we want him here today. How about Edward T., Edward Ted Wortman?

Mr. BURLING. He is under subpoena; registered letters and telegrams have been addressed to him also.

The CHAIRMAN. Who are the other witnesses? I believe "Red" Smith hasn't been heard from, is he here? For a limited purpose is Mr. Fisher here? Mr. Adolph Fisher. Come around, Mr. Fisher.

#### TESTIMONY OF ADOLPH FISHER, FORMER SHERIFF OF ST. CLAIR COUNTY, ILL.

The CHAIRMAN. Mr. Fisher, do you solemnly swear the testimony you will give this committee will be the whole truth, and nothing but the truth, so help you God?

Mr. FISHER. I do.

The CHAIRMAN. Mr. Fisher, we don't want to question you at this time but you were asked to bring in certain books and records. Do you have those books and records?

Mr. FISHER. Yes.

The CHAIRMAN. Would you mind taking a receipt and turning them over to Mr. Robinson or some member of our staff and going over them so that we can see just what you have brought in?

Mr. FISHER. O. K.

The CHAIRMAN. Did you bring certain copies of your income tax returns?

Mr. FISHER. Yes, I brought them all, from 1944.

The CHAIRMAN. Well, Mr. Fisher, you can come in first thing in the morning and we'll have an examination of these books, they will be returned to you.

(Witness excused.)

The CHAIRMAN. Is Mr. McGlynn here? I am advised he will be here this afternoon and you advise me when he is here.

Is Mr. Gruenewald here? Will you come around, Mr. Gruenewald?

#### TESTIMONY OF GEORGE GRUENEWALD

The CHAIRMAN. Mr. Gruenewald, do you solemnly swear the testimony you will give this committee will be the whole truth, and nothing but the truth, so help you God?

Mr. GRUENEWALD. I do.

The CHAIRMAN. Mr. Gruenewald, did you bring certain books and records that were called for?

Mr. GRUENEWALD. I did.

The CHAIRMAN. Mr. Fickeissen, will you give Mr. Gruenewald a receipt for them and see what we have?

Mr. Gruenewald, if you will be here later this afternoon, say after 3 or 3:30?

Mr. GRUENEWALD. Yes, sir.

(Witness excused.)

The CHAIRMAN. Is Mr. Dallas Harrell here?

#### FURTHER TESTIMONY OF DALLAS HARRELL, FORMER SHERIFF, MADISON COUNTY, ILL.

The CHAIRMAN. Mr. Harrell, do you solemnly swear the testimony you will give this committee will be the whole truth, and nothing but the truth, so help you God?

Mr. HARRELL. I do.

The CHAIRMAN. You were asked to bring in certain books and records, Mr. Harrell; did you?

Mr. HARRELL. No, sir.

The CHAIRMAN. You haven't any?

Mr. HARRELL. No; I brought those last July.

The CHAIRMAN. I thought some of them were returned to you?

Mr. HARRELL. No, sir; I have never received any of them.

The CHAIRMAN. All right. We'll probably not reach you until after 3 or 3:30, but if you will be back at that time.

Mr. HARRELL. Thank you.

(Witness excused.)

The CHAIRMAN. Effort has been made to serve a subpoena on Walt Wyntman but we have been unable to reach him and I will ask the marshal if he will endeavor to see if he can serve one on him. He is

in Madison County. He probably doesn't know about the fact that subpoena is wanted on him.

Is Mr. English here? Will Mr. English come around? Well, our next witness will be Mr. English, Mr. John English, if we can get him this afternoon, and will you please notify him to be here at 15 minutes of 2? Mr. J. J. Carroll and C. J. Rich will follow him.

The committee will stand in recess until 15 minutes of 2.

(Whereupon, at 12:30 p. m., the hearing was recessed until 1:45 p. m. of the same day.)

#### AFTERNOON SESSION

The CHAIRMAN. The committee will come to order. Mr. Shenker?

Mr. SHENKER. Yes, sir.

The CHAIRMAN. We had wanted Mr. Carroll for this session this afternoon and so I think we better get some testimony from you as to what the situation is.

Mr. SHENKER. Very well.

The CHAIRMAN. Do you swear the testimony you will give this committee will be the whole truth, and nothing but the truth, so help you God?

Mr. SHENKER. I do.

#### TESTIMONY OF MORRIS SHENKER, ATTORNEY, ST. LOUIS, MO.

The CHAIRMAN. Now, Mr. Shenker, you represent Mr. Carroll and he was subpoenaed to appear here this afternoon and notice was sent and I am advised it was accepted by registered mail. All right, you go ahead, Mr. Burling.

Mr. BURLING. What is your occupation, Mr. Shenker?

Mr. SHENKER. I am a lawyer.

Mr. BURLING. How long have you been a member of the bar?

Mr. SHENKER. Oh, approximately 19 years.

Mr. BURLING. Did you practice always here?

Mr. SHENKER. Yes, sir.

Mr. BURLING. Do you represent James J. Carroll?

Mr. SHENKER. That's my understanding, that I represent him; yes, sir.

Mr. BURLING. Well, did you represent him when he appeared as a witness before the so-called McFarland committee in Washington?

Mr. SHENKER. I did.

Mr. BURLING. I want to be careful not to ask you any privileged communications, I am merely going to ask you matters of public record or matters not of lawyer-client communications. You know at that time that Mr. Carroll stated he was a betting commissioner?

Mr. SHENKER. That was his testimony.

Mr. BURLING. And you, of course, read the papers, don't you?

Mr. SHENKER. I do.

Mr. BURLING. And you know it is widely reputed that Mr. Carroll is the largest betting commissioner or bookmaker in the country, do you not?

Mr. SHENKER. I—

Mr. BURLING. I am not asking you to tell us anything except whether you have read it in the papers.

Mr. SHENKER. Some of the papers carried such account.

Mr. BURLING. And you knew it was widely reported that Mr. Carroll was a so-called lay-off man, that he took bets from all over the country by wire?

Mr. SHENKER. Some of the newspapers carried those accounts.

Mr. BURLING. I am just asking you what you read in the newspapers.

Mr. SHENKER. That's right, sir.

Mr. BURLING. And you know this committee, not the McFarland committee, is particularly interested in illegal gambling in interstate commerce; you are aware of that from reading the newspapers, aren't you?

Mr. SHENKER. Yes, sir.

Mr. BURLING. And when did you first learn, if you did, that Mr. Carroll had been subpoenaed by this committee?

Mr. SHENKER. I would say about 6 or 7 weeks ago, approximately; I may be off on the time.

Mr. BURLING. And it was obvious to you, wasn't it, that Mr. Carroll would be an important witness before this committee?

Mr. SHENKER. I don't subscribe to that statement of yours.

Mr. BURLING. You didn't think that a committee, which had been devoting a great deal of time and attention throughout the country investigating race-wire problems and interstate gambling, would want to talk to Mr. Carroll?

Mr. SHENKER. One of the reasons, it appears to me, is that Mr. Carroll's testimony is already on record and the record of the McFarland committee, as I recall I was advised, was made available to this committee.

Mr. BURLING. Oh, that's so, but are you aware that at the time Mr. Carroll testified before the McFarland committee a great deal of material, which is now public knowledge, was still under cover?

Mr. SHENKER. I would say I am not aware of that.

Mr. BURLING. At any rate, what steps, if any, did you take to notify your client, Mr. Carroll, that this committee was going to hold hearings here in St. Louis?

Mr. SHENKER. I have not seen Mr. Carroll probably since about the first of the year.

Mr. BURLING. That doesn't answer my question, sir. What steps did you take toward seeing to it that your client was here in response to subpoena?

Mr. SHENKER. First let me make this clear——

Mr. BURLING. No; would you answer that question, sir?

Mr. SHENKER. Well, he is not legally or duly obligated to be here, as I understand it, but I did attempt to reach him in order for him to appear here.

Mr. BURLING. When?

Mr. SHENKER. Yesterday.

Mr. BURLING. In other words, 6 weeks ago you knew he was under subpoena?

Mr. SHENKER. Right.

Mr. BURLING. And you knew at least 6 weeks ago that this hearing was scheduled?

Mr. SHENKER. I did not.

Mr. BURLING. Hasn't it been in the newspapers?

Mr. SHENKER. No.

Mr. BURLING. When did you first know that this hearing of the Senate Committee on Organized Crime was going to start in St. Louis?

Mr. SHENKER. I would say about a week ago.

Mr. BURLING. All right.

The CHAIRMAN. Well, it was announced in New York 2 weeks ago Tuesday.

Mr. BURLING. Last Tuesday.

The CHAIRMAN. That's right, 2 weeks ago last Tuesday, and carried in the papers and I think I spoke to you, Mr. Shenker, either when you were representing the same witness in Washington—

Mr. SHENKER. Last Saturday.

The CHAIRMAN. That you wanted to keep Mr. Carroll here until the time we came and you were advised to so wait. Of course, we are not going to stand this kind of dilatory tactics on the part of any witness or his attorney, if such is shown to be the case. In any event, the witness is not here. Anything else?

Mr. SHENKER. I would like the record to show, however, that I advised Mr. Robinson that if he wanted Mr. Carroll to testify for him to advise me, that a telephone call would be sufficient, and I would attempt to have him here; that up to this time no such communication was made to me and yesterday, on my own initiative, when I saw the newspapers indicating Mr. Carroll may be wanted as a witness, I attempted to contact him in Florida and found out he was in Florida.

Mr. BURLING. Of course, I told you we wanted Mr. Carroll about a week ago as a witness.

Mr. SHENKER. I do not recall that you did. If you had—if you did last Saturday evening at Washington, I do not recall as to whether you made a definite statement of that or not.

Mr. BURLING. Don't you regard it as your obligation to ascertain whether it was definite or not if a Senate committee member tells you he wants a client of yours, or do you just toss it off?

Mr. SHENKER. You must realize I had no way of knowing Mr. Carroll would not be here.

The CHAIRMAN. I told you, Mr. Shenker, when you were up there, that we would be certain to need him. At any rate, you advise Mr. Carroll to get back here from Florida and if he is not here before this meeting is over, I shall recommend a contempt action by the Senate, because I think he is in contempt right now.

Mr. SHENKER. I would like for the record to show, if I may, that, as far as I know, no registered letter or notice was received by Mr. Carroll, except the original open subpoena. And, further, I would like the record to show that during the recess I have left instructions at my office to make every effort to contact him and also gave information to Mr. Fickeissen, one of your investigators, in order to facilitate the location of Mr. Carroll.

Mr. BURLING. I don't quite understand the one part there as to whether the registered letter was received by Mr. Carroll, if he hasn't communicated with him from the first of the year, how would he know?

Mr. SHENKER. I say I have no knowledge; I want the record to show that.

Mr. BURLING. I would like the record to show I have knowledge a letter was addressed to him and not returned, a letter of February 14.

Mr. Chairman, I do not know where Mr. English is; his attorney, Mr. Costello, told me he would be here when I talked to him yesterday on the phone.

The CHAIRMAN. As soon as Mr. English arrives, will someone notify the committee? Call Mr. C. J. Rich.

Mr. SHENKER. I discussed the matter of Mr. Rich with Mr. Robinson and also Mr. Fickeissen and arranged to have Mr. Wyman here and also have a doctor's statement insofar as Mr. Rich's condition.

Mr. BURLING. Is it a sworn statement?

Mr. SHENKER. It is not but I advised them of the situation and they can check it very easily. Mr. Rich is in town but his health is of such a nature I think it would be exposing him to severe danger.

Mr. BURLING. I suggest that he should not be permitted to testify; he is no longer a witness.

The CHAIRMAN. Let's see the statement. (Reading:)

This is to certify that Mr. Charles Rich is under my care because of a coronary thrombosis, a coronary arterial disease. He suffers frequent attacks of angina pectoris, for which he requires rest and frequent medical attention.

ALFRED GOLDMAN, M. D.

Is Mr. Rich out attending to his business?

Mr. SHENKER. He is walking about and he can be made available if this committee wants him. I advised both Mr. Robinson and Mr. Fickeissen of this condition.

Mr. BURLING. And you were advised, were you not, that Mr. Rich should be in attendance?

Mr. SHENKER. I didn't understand it that way.

The CHAIRMAN. Let's notify Mr. Rich to come in, because from all the information we have, he is able to be around.

Mr. BURLING. I think the record should show that this is not a sworn statement of anybody, it is an unsworn statement of Dr. Alfred Goldman and he does not state, even in an unsworn statement, that he cannot testify.

The CHAIRMAN. The certificate is not sufficient because it does not say he is unable to testify.

#### TESTIMONY OF SIDNEY WYMAN, ST. LOUIS, MO., ACCOMPANIED BY MORRIS SHENKER, ATTORNEY, ST. LOUIS, MO.

The CHAIRMAN. Do you solemnly swear the testimony you will give this committee will be the whole truth and nothing but the truth, so help you God?

Mr. WYMAN. I do.

The CHAIRMAN. Do you want to show that Mr. Wyman is represented by Mr. Morris Shenker, attorney at law, of St. Louis?

Mr. SHENKER. At this time, if it please this honorable committee, and after Mr. Wyman has been sworn, in obedience to the command to appear here and subpoena, I would like for this record to show, and I might add, before we dictate anything into the record, that anything that I say now or anything I ask for the record to show and introduce into the record, shall not be construed as any disrespect for this investigation or for Senator Kefauver or any members of the committee and I think that the sincerity and honesty of purpose of this committee cannot be questioned by anyone and certainly isn't questioned by me.

However, there are certain duties and obligations which rest upon me, in appearing as attorney for my client, and there are certain things that I would like for the record to show which we are objecting to insofar as these proceedings are concerned and insofar as the testimony of Mr. Wyman is concerned.

First I would like to offer into evidence and move that insofar as this particular witness is concerned that Senate Resolution 202 should be made a part of this record.

The CHAIRMAN. Senate Resolution 202 is already a part of this record.

Mr. SHENKER. And I would further like to state at this time that insofar as the legality or the authority to conduct this investigation, that we are objecting to it on the ground that a quorum of the committee is not present.

The CHAIRMAN. The resolution authorizing the chairman to appoint one person to hold a hearing is a part of the record and the chairman has selected myself to hold this hearing.

Mr. SHENKER. Also that it is my understanding that this committee is formed to investigate State laws, the violations or possible violations of State laws, as well as any Federal laws. That's correct, the record may so show?

The CHAIRMAN. Well, you are making your statement, Mr. Shenker, and the committee is not on the witness stand.

Mr. SHENKER. I would also like to ask at this time that the record should show at this time that within this courtroom and within approximately 8 to 10 feet of this witness are members of—the president of the Board of Police Commissioners of St. Louis, the chief of police, O'Connell, and chief of detectives, Murphy, and that some two, four, six, eight agents of the Federal Bureau of Investigation, some from the Intelligence Division of the Treasury Department, all of whom deal with the investigation of any violations of income tax.

The CHAIRMAN. This is a public hearing; anyone has a right to be here who wants to be here, Mr. Shenker.

Mr. SHENKER. And also that the attorney general and his assistants, of the State of Missouri, are present, and that the chairman or director of the Crime Commission of the City of St. Louis is here and that there are numerous members of the gambling division of the St. Louis Police Department who are present here and that, as far as the witness, Mr. Wyman, knows, that their primary purpose in being here is to get evidence insofar as law violations are concerned on which they could base any possible criminal prosecution.

The CHAIRMAN. All right; let's proceed with the questioning of the witness. Anything else, Mr. Shenker?

Mr. SHENKER. Not at this time.

The CHAIRMAN. Do you want to have a seat with your client? You proceed to ask Mr. Wyman, Mr. Burling.

Mr. BURLING. Where do you live, Mr. Wyman?

Mr. WYMAN. St. Louis, Mo.

Mr. BURLING. Whereabouts?

Mr. WYMAN. 5548 Delmar.

Mr. BURLING. How long have you lived there?

Mr. WYMAN. Well, to the best of my recollection, about 15 years.

Mr. BURLING. And where is your place of business?

Mr. WYMAN. At the present time I don't have a place of business.

Mr. BURLING. Where was your place of business the last time you had one?

Mr. WYMAN. I don't know the exact address, but on the St. Charles Rock Road in St. Louis County.

Mr. BURLING. And how long were you doing business at that place?

Mr. SHENKER. Just a minute, at this time, Mr. Chairman, if I may I would like to offer into evidence certain records pertaining to the fact that Mr. Wyman is under indictment now in the State of New Jersey and that that case is pending in the State of New Jersey, alleging conspiracy to violate their gambling laws, and also an indictment pending now in St. Louis County wherein it is alleged that he violated the gambling laws.

The CHAIRMAN. All right, you can offer that in evidence; but, of course, there is a Federal statute to the effect that no testimony given here can be used in any other proceedings. So, let's proceed.

Mr. SHENKER. We will submit them to the committee later?

Mr. BURLING. Yes, to be marked as an exhibit. If you wish to offer something in evidence, you must have it ready to offer. Mr. Wyman is under no Federal indictment?

Mr. SHENKER. No, sir.

Mr. BURLING. The indictment you refer to alleged solely violation of the State laws?

Mr. SHENKER. That's right. And we would like to further make the statement, and be prepared to make an offer of proof on it, that Mr. Wyman's income taxes are now being under investigation by the Treasury Department of the United States and that at least one and possibly two of the men that are engaged in that investigation are here in the courtroom.

Mr. BURLING. That, of course, would be irrelevant unless it was a criminal investigation.

Mr. SHENKER. It is; it is an investigation by the Intelligence Division.

Mr. BURLING. And any answer Mr. Wyman would give would not tend to incriminate him, unless he is in fact a criminal, you understand?

Mr. SHENKER. I understand, further, that an answer might incriminate him without actually being branded as a criminal. That was the holding of the Supreme Court, that he has no right to refuse to answer unless the answer might incriminate him under the Federal law. We will watch the questions as they come on.

Mr. BURLING. How long did you say you were in business in St. Louis County?

Mr. WYMAN. At the St. Charles Rock Road address?

Mr. BURLING. That's right.

Mr. WYMAN. To the best of my recollection, about a year.

Mr. BURLING. And, before that, what was your place of business?

Mr. WYMAN. Before that, I was located on Delmar Avenue in St. Louis County.

Mr. BURLING. Where?

Mr. WYMAN. On Delmar Avenue in St. Louis County.

Mr. BURLING. How long were you there?

Mr. WYMAN. Oh, to the best of my recollection, a couple of years.

Mr. BURLING. And before that?

Mr. WYMAN. Well, I couldn't hardly remember before that.

Mr. BURLING. Several years?

Mr. WYMAN. That's as far back as I can remember.

Mr. BURLING. All right. The last time you were in business, with whom were you in business?

Mr. WYMAN. Mr. Rich.

Mr. BURLING. Mr. C. J. Rich.

Mr. WYMAN. Yes, sir.

Mr. BURLING. And who else?

Mr. WYMAN. You asked me the last time I was in business?

Mr. BURLING. That's correct.

Mr. WYMAN. Mr. C. J. Rich.

Mr. BURLING. I said "and anybody else."

Mr. WYMAN. Prior to that.

Mr. BURLING. No; the last time when you were in business with Rich, were there just two partners or was it more than two?

Mr. WYMAN. Well, the last time I was in business, there was just Mr. Rich and me.

Mr. BURLING. And, before that, did you have any other partner?

Mr. WYMAN. Yes, sir.

Mr. BURLING. Will you name him?

Mr. WYMAN. Mr. Fisher and Mr. Leon.

Mr. BURLING. That's Edward Benjamin Fisher; is that right?

Mr. WYMAN. Well, his first name is Ed.

Mr. BURLING. And Ralph Leon?

Mr. WYMAN. That is right.

Mr. BURLING. And what business were you doing?

Mr. WYMAN. I refuse to answer that question because it might be self-incriminating.

The CHAIRMAN. Just a minute, the Chairman directs you to answer that question. Do you refuse to follow that direction?

Mr. WYMAN. Yes, sir; I do.

The CHAIRMAN. All right, go ahead.

Mr. BURLING. Have you ever been indicted in a Federal court?

(No answer.)

Mr. BURLING. Well, that can't possibly incriminate you, because the indictment was dismissed; wasn't it?

Mr. WYMAN. The indictment in the Federal court? Yes, sir; I was indicted in the Federal court.

Mr. BURLING. And it was dismissed?

Mr. WYMAN. It was.

Mr. BURLING. Held the activities charged did not constitute a Federal crime; isn't that right?

Mr. WYMAN. I would like to talk to my lawyer about that.

Mr. BURLING. Go right ahead.

Mr. WYMAN. I still refuse to answer that question.

Mr. BURLING. What question is it you refuse to answer? I asked you if you were indicted and the indictment was dismissed. Do you refuse to answer that?

Mr. WYMAN. No; they could still indict me in another district on the same charge perhaps.

Mr. BURLING. I see. You have carried on these activities in more than one district; have you?

Mr. WYMAN. I also refuse to answer that.

Mr. BURLING. How long, taking your present being in St. Louis, how long have you been here?

Mr. WYMAN. In St. Louis?

Mr. BURLING. Yes.

Mr. WYMAN. I have been the greater part of my life.

Mr. BURLING. I mean, have you come from any place.

Mr. WYMAN. No; St. Louis is my home.

Mr. BURLING. You haven't been out of St. Louis in the past year?

Mr. WYMAN. Oh, yes; I have.

Mr. BURLING. So, you came to St. Louis from some place recently; did you not?

Mr. WYMAN. Yes; I did.

Mr. BURLING. Will you tell us where you come from last?

Mr. WYMAN. Where I came from last?

Mr. SHENKER. Last night.

Mr. WYMAN. Oh, I didn't quite understand him. I came from Las Vegas.

Mr. BURLING. Where were you staying there?

Mr. WYMAN. At the Thunderbird Hotel.

Mr. BURLING. Do you have any investment in any hotel in Las Vegas?

Mr. WYMAN. No; I haven't.

Mr. BURLING. Do you know whether Mr. Rich has, to your knowledge?

Mr. WYMAN. To my knowledge, he has none.

Mr. BURLING. Without regard to what your business was, what proportion of the business that you had did you own and what proportion did Rich own?

Mr. WYMAN. We were equal partners.

Mr. BURLING. And the name of the partnership was C. J. Rich & Co.!

Mr. WYMAN. The name of the C. J. Rich & Co. partnership consisted of four people.

Mr. BURLINGTON. That's the earlier one including Fisher and Leon.

Mr. WYMAN. That's right.

Mr. BURLING. And were you then also equal partners?

Mr. WYMAN. We were equal partners.

Mr. BURLING. What is the name of the subsequent partnership in which only you and Rich were partners?

Mr. WYMAN. Just Rich & Wyman.

Mr. SHENKER. I would like to say that you only asked the question as to equal partners with Rich—

Mr. BURLING. Mr. Shenker, I am inquiring.

The CHAIRMAN. All right, proceed, Mr. Burling.

Mr. BURLING. Without regard to what the business was, did C. J. Rich & Co. do the same business as Rich & Wyman?

Mr. WYMAN. In what respect? I don't quite understand.

Mr. BURLING. Do the same type of business?

Mr. WYMAN. The same type of operation?

Mr. BURLING. Yes.

Mr. WYMAN. Yes, sir.

Mr. BURLING. Can you remember when you first went into C. J. Rich & Co.?

Mr. WYMAN. To the best of my recollection, I would say it was around 1947.

Mr. BURLING. What were you doing before that?

Mr. WYMAN. I was in the same type of business.

Mr. BURLING. By yourself?

Mr. WYMAN. No; I was with Mr. Rich.

Mr. BURLING. What was the name of that company?

Mr. WYMAN. Rich & Wyman.

Mr. BURLING. Well, and when was the first Rich & Wyman formed?

Mr. WYMAN. Well, to the best of my memory, it was about 7 or 8 years ago, right around that, to the best of my memory.

Mr. BURLING. Did you draw checks on this partnership, any of the three that you have testified about?

Mr. WYMAN. Have I ever drawn checks on them?

Mr. BURLING. Did you have authority to draw checks on the partnership account?

Mr. WYMAN. Yes; I did.

Mr. BURLING. And did you do so from time to time?

Mr. WYMAN. Yes.

Mr. BURLING. What—did you also deposit money in the partnership account from time to time?

Mr. WYMAN. Do you mean, did I ever take it to the bank?

Mr. BURLING. Or mail it to the bank?

Mr. SHENKER. Well—

Mr. WYMAN. I would like to talk to my lawyer for a minute.

The CHAIRMAN. Well, you should confer before you get here. Let's get on with the hearing.

Mr. WYMAN. Did you ask me if I ever took it to the bank?

Mr. BURLING. Or mail it to the bank, either one.

Mr. WYMAN. Well, yes; I did.

Mr. BURLING. And—

Mr. WYMAN. I took it to the bank.

Mr. BURLING. I see. Now, without regard to the nature of the business, would you state the annual volume of your business any year that you select in the past 7?

Mr. WYMAN. Well, I wouldn't be in a position to do that.

Mr. BURLING. You can't do it within a hundred thousand dollars?

Mr. WYMAN. Well, estimate on the business?

Mr. BURLING. Yes.

Mr. WYMAN. Oh, on any one of the 7 years?

Mr. BURLING. Well, take the best year. What was your biggest year?

The CHAIRMAN. Not the amount the company made or you made. The amount of business done; that is what we are talking about.

Mr. WYMAN. The amount of business done?

The CHAIRMAN. Yes.

Mr. WYMAN. Well, I would say—well, I would roughly estimate it at a million dollars.

Mr. BURLING. What year was that; do you remember?

Mr. WYMAN. Well, I couldn't remember.

Mr. BURLING. And can you remember where the most of that—whether the greater part of that was local business or business done outside of a hundred-mile radius of St. Louis?

Mr. WYMAN. Well, I really couldn't remember that.

Mr. BURLING. You must remember whether—where your business came from, where the greater part came from.

Mr. WYMAN. I could say that the C. J. Rich & Co. business came from the outside of the hundred-mile radius.

Mr. BURLING. Mostly by Western Union; is that correct?

Mr. WYMAN. That is correct.

Mr. BURLING. With whom did C. J. Rich deal in Western Union; with what official or officials?

Mr. WYMAN. Well, I don't know of any official that we dealt with particularly.

Mr. BURLING. You had a business which went as high as a million dollars and the greater part of it came by Western Union—you must have had some contact with Western Union officials; didn't you?

Mr. WYMAN. No; that wasn't necessary. I can explain the operation to you if you like.

Mr. BURLING. I wish you would.

Mr. WYMAN. People would just wire their money in. If they had anything coming, we would send it back. That is it.

Mr. BURLING. Well, how did you find your customers?

Mr. WYMAN. Solicitation.

Mr. BURLING. What kind of solicitation?

Mr. WYMAN. Mostly personal solicitation.

Mr. BURLING. You mean, you had road men going around the country looking for customers?

Mr. WYMAN. We had—not many—I would say we have had men that—

Mr. BURLING. How many, would you say?

Mr. WYMAN. Well, Mr. Fisher, one; I was another.

Mr. BURLING. You traveled around the United States?

Mr. WYMAN. Yes.

Mr. BURLING. What particular territory did you cover?

Mr. SHENKER. Well—well—

The CHAIRMAN. Well, we will not ask you whether you have been in the State of Michigan or New Jersey, but outside of New Jersey and Michigan, what territory did you cover? Eastern part of the United States, the southern part, or—

Mr. WYMAN. Well, I would say the Southern part.

Mr. BURLING. Didn't you have credit arrangements with Western Union?

Mr. WYMAN. Well, yes; we did.

Mr. BURLING. Now, I don't want to ask you what the business was. We will call it X. Suppose I am a customer living in, say, Wisconsin, and I wanted to do business with you. I could go into Western Union, send you a wire without actually transferring any money to you; couldn't I?

Mr. WYMAN. For operation X?

Mr. BURLING. That is right.

Mr. WYMAN. Yes; you could.

Mr. BURLING. Now, didn't you have some discussions with Western Union officials about that credit arrangement?

Mr. WYMAN. No.

Mr. BURLING. Would you explain how it would be possible for a customer to go into a town in Wisconsin and do business X with you, without actually wiring you any money?

Mr. WYMAN. Well, they had to wire me the money.

Mr. BURLING. I thought you just testified—

Mr. WYMAN. No, for business X they had to wire me the money and then for business X they could send their message later.

Mr. BURLING. Supposing I was unlucky in business X, so you don't have to send me any money back; would Western Union actually deliver a money order to you, and you go and cash it and take the cash out?

Mr. WYMAN. You mean, if you were unlucky in business X and you sent me a money order? They would deliver and we would call for.

Mr. BURLING. And you take it in cash or check; how would you do it?

Mr. WYMAN. Check.

Mr. BURLING. A check drawn by Western Union?

Mr. WYMAN. Yes.

Mr. BURLING. And what would you do with the check?

Mr. WYMAN. Deposit it in the bank.

Mr. BURLING. You had no credit arrangements so that Western Union wasn't paying you on each individual piece of business you did; is that—

Mr. WYMAN. Well, that is not very clear.

Mr. BURLING. Well, I will see if I can make it a little more clear. Is it not the fact that you had a credit arrangement so that each piece of business was not paid for separately by Western Union, or when you paid the customer, you didn't pay him separately, but you kept an account with Western Union, so to speak; did you not?

Mr. WYMAN. No, the customer for business X always got his money.

Mr. BURLING. I am saying, you had a standing credit account with Western Union; isn't that so?

Mr. WYMAN. Yes; we had a deposit up with them, to operate business X.

The CHAIRMAN. That isn't the point. You had a deposit for sending telegrams, but this customer X in Wisconsin, if he wanted to send you \$10 for operation X, and that \$10 didn't actually have to be sent by way of Western Union, you kept a reciprocal bank account with the agent?

Mr. WYMAN. No.

The CHAIRMAN. And you cleared once in a while; didn't you?

Mr. WYMAN. No; every day.

The CHAIRMAN. You cleared at the end of every day?

Mr. WYMAN. Oh, yes.

The CHAIRMAN. But on each individual transaction of business—say you had 15 or 20 during a day—you would go on with those 15 or 20 with the agents, say, at some place in Wisconsin; then at the end of the day there would be a clearance as to how much he owed you, or he had coming to him for his customers or how much he owed you; is that correct?

Mr. WYMAN. No; we didn't clear it like that at all.

The CHAIRMAN. How did you clear it?

Mr. WYMAN. For operation X, all the money was sent in.

The CHAIRMAN. You mean on each individual operation?

Mr. WYMAN. Yes, and it was put together in one check by Western Union, and at the end of the day the check was forwarded to us, and for business, for moneys that were going back on operation X, we gave them a check. It was all sent out individually.

The CHAIRMAN. So a check went one way or the other every day; is that correct?

Mr. WYMAN. Yes.

Mr. BURLING. Mr. Robinson has some questions based on the chart which was introduced earlier. I would like permission——

The CHAIRMAN. All right, Mr. Robinson.

Mr. ROBINSON. Mr. Wyman, do you recall a business, C. J. Rich in East St. Louis? Did you ever operate in East St. Louis?

Mr. WYMAN. To the best of my memory, I don't remember operating in East St. Louis.

Mr. ROBINSON. Where was your operation located?

Mr. WYMAN. I told that to Mr. Burling.

Mr. ROBINSON. Did you not move your operation from East St. Louis to the county area here?

Mr. WYMAN. When was that; C. J. Rich?

Mr. ROBINSON. About 2 years ago.

Mr. WYMAN. Two years ago?

Mr. ROBINSON. Yes.

Mr. WYMAN. No.

Mr. ROBINSON. Where were the telegrams that you received addressed, to East St. Louis or St. Louis?

Mr. WYMAN. East St. Louis.

Mr. ROBINSON. And your operations were where?

Mr. WYMAN. St. Louis County.

Mr. ROBINSON. How were the telegrams brought over from East St. Louis to St. Louis County?

Mr. WYMAN. Special messenger.

Mr. ROBINSON. You picked them up as they came in at East St. Louis, in other words?

Mr. WYMAN. I would like to talk to my lawyer for just a minute. Mr. Robinson, that is just how it was. We picked them up every day and brought them in for operation X.

Mr. BURLING. What was the point—will you explain why you had telegrams addressed to you in Illinois when your office was in Missouri?

Mr. WYMAN. Messages of that type for operation X couldn't be delivered into the State of Missouri.

Mr. BURLING. Well, they were illegal in both States; weren't they?

Mr. WYMAN. Well, I really don't know.

Mr. BURLING. You never found out whether operation X was illegal or not, either in Missouri or in Illinois?

Mr. WYMAN. Well, morally, I never considered it illegal.

Mr. BURLING. I don't think we are interested in your morals, sir.

Mr. WYMAN. I just brought that in.

Mr. BURLING. I wondered from the past 7 years until you got indicated you had learned whether operation X was illegal or not?

Mr. WYMAN. Well, of course, I have learned it.

Mr. BURLING. Well, isn't the real point that you felt safer in East St. Louis in receiving these very large volume of telegrams than you did on this side of the river?

Mr. WYMAN. That isn't so.

Mr. BURLING. Well, then, will you state what the point was?

Mr. WYMAN. They weren't allowed; messages for operation X weren't allowed in the States of Missouri, but I think they are in the State of Illinois.

The CHAIRMAN. Well, then, you did feel safer, then?

Mr. BURLING. Did you or any partnership in which you were a member make any contributions of a political nature to anyone on either side of the river in the past 7 years?

Mr. WYMAN. No; we did not.

Mr. BURLING. You didn't pay anything over there, but you still felt safer?

Mr. WYMAN. We didn't pay anything over there, or anywhere else.

Mr. BURLING. Now, I want to show you a folder, ask you if you have seen it before.

Mr. WYMAN. Oh, yes.

Mr. BURLING. Tell us what that is, will you?

Mr. WYMAN. Well, I haven't—oh, I didn't look on the inside.

Mr. BURLING. The witness said, "I didn't look on the inside."

Mr. WYMAN. Would you like to have me tell you what that is?

Mr. BURLING. Yes; please tell us what it is.

Mr. WYMAN. This is really self-explanatory.

Mr. BURLING. Well, will you just—just tell us briefly what it is?

Mr. WYMAN. It is a circular that we sent out.

Mr. BURLING. Sent out to do what?

Mr. WYMAN. Attract people to do business with us.

Mr. BURLING. To ask people to do business with you. How many of such circulars did you distribute approximately?

Mr. WYMAN. I really couldn't tell you.

Mr. BURLING. A thousand, ten thousand, a hundred thousand?

Mr. WYMAN. Well, I am really not in a position to tell you.

Mr. BURLING. Who would be?

Mr. WYMAN. I would say the printer that mailed them.

Mr. BURLING. Well, the printer that mailed them was acting as agent for your partnership; you were an equal partner, and your lawyer said you know as much about the operation as Mr. Rich does.

Mr. WYMAN. I do.

Mr. BURLING. All right, then, approximately how many of those were mailed?

Mr. WYMAN. Well, it would be very difficult. It's been several years ago, and I just can't arrive at a figure. I would say, might have mailed out sometimes a couple thousand—

Mr. BURLING. Then you mailed them all over the country?

Mr. WYMAN. To the best of my recollection.

Mr. BURLING. And all over the country, too?

Mr. WYMAN. Various places, yes.

Mr. BURLING. I ask that that be marked "Exhibit No. 44" of this witness' testimony.

The CHAIRMAN. All right, exhibit No. 44.

(The document referred to was marked "Exhibit No. 44," and is on file with the committee.)

The CHAIRMAN. Now, as I understand it, this is the situation, isn't it, Mr. Wyman. You and others went around the country and made contacts with Western Union agents and then where you made a

contract, he would speak with his friends and find out who might want to do business with operation X, and you were sent out literature in that section like you have shown here, and they could come to the Western Union agent and do business with operation X, and much as they wanted to back and forth, and you either got something back or not, depending on how the matter came out, is that the way you did business?

Mr. WYMAN. That is right.

The CHAIRMAN. And you operated with the Western Union cards which we saw, we saw your file box, which had cards for quite a number of people who were marked Western Union agents, you had them in practically every State of the Union, didn't you?

Mr. WYMAN. Well, I don't know exactly but we had quite a lot of them.

The CHAIRMAN. Well, anyway, all over the United States.

Mr. WYMAN. Generally.

The CHAIRMAN. Now, these Western Union agents, your arrangements with them usually was to give them 20 or 25 percent of the profit on operation X?

Mr. WYMAN. No.

The CHAIRMAN. You did give them some percent?

Mr. WYMAN. No; maybe in very rare occasions we might have.

The CHAIRMAN. Well, we saw quite a number of letters from the agents which indicate that they got some commission from what they brought in.

Mr. WYMAN. But it was a very rare occasion. I would say that—anything was given up, it was done in some spots, but very rarely.

The CHAIRMAN. You mean, where you needed to do it, sort of to get more business, you would do it?

Mr. WYMAN. That is right, competitive reasons.

The CHAIRMAN. And then the man who in the particular town, say, Podunk, Wis., or Tennessee, he very frequently would have an account which would balance, which he would balance once in a while with a Western Union agent, isn't that correct?

Mr. WYMAN. I wouldn't know that.

The CHAIRMAN. You know from the correspondence?

Mr. WYMAN. No; our money was expected in every day unless the man had a deposit up for operation X.

The CHAIRMAN. He might put a deposit with the Western Union for operation X and then phone in and draw from that deposit.

Mr. WYMAN. It was my understanding that the money had to be with us for operation X.

The CHAIRMAN. Don't you know, as a matter of fact, that many of them made deposits with the Western Union agent in the particular town where they were operating?

Mr. WYMAN. I wouldn't know that; no.

The CHAIRMAN. And then it would be balanced back and forth according to whether there was a profit or not?

Mr. WYMAN. No; I wouldn't know that; no.

The CHAIRMAN. Well, now, here, for instance, is a quotation from a letter:

DEAR MR. RICH: Enclosed find my check for \$200 to be applied to my deposit.

That was from a Western Union agent. Would they keep deposits with you and Mr. Rich?

Mr. WYMAN. A Western Union agent?

The CHAIRMAN. Yes.

Mr. WYMAN. That was highly unusual, and I can't remember that ever happening for operation X. A Western Union—

The CHAIRMAN. Here is a letter addressed to Mr. Rich from Western Union agent at Waterville, Maine.

GENTLEMEN: From your wires to several prospective clients, I assume you are anxious to open accounts here in this vicinity. I believe that possibly I could develop some business for you in Waterville, and surrounding towns and wonder if this is possible. Just what kind of proposition could you offer? Please write me telling what you can offer in the way of commission for new business developed on my own time and what you might possibly do in the line of supplying three or four customers that we could start with in the supplying of the daily operation X. Thank you for your information.

Then one paragraph of the reply to that letter from your firm is:

We will be glad to make you what we feel is a good proposition. We will give you 25 percent of the winnings at the end of each month after deducting the necessary expenses as wire charges and form sheets only.

Was that a customary proposition that you made?

Mr. WYMAN. No; that wasn't a customary proposition. That would be one of the rare occasions for operation X.

The CHAIRMAN. All right, Mr. Burling.

Mr. BURLING. Mr. Chairman, the committee files contain a letter of October 3, 1950, attached to—from the Western Union Telegraph Co. attached to which is an exhibit or a wire of instructions sent out by Western Union to all general managers dated New York, June 7 1950.

I think that should be read into the record at this time.

The CHAIRMAN. All right, let it be read into the record. Will you state what it is, what it says.

Mr. BURLING. I would like to read a paragraph from the letter to the committee first:

During the latter part of 1948, and extending into 1949, a number of incidents were brought to the attention of Western Union officials involving irregular activities on the part of C. J. Rich & Co., such as mailing literature to Western Union officers, having a representative call on Western Union managers in an effort to have them solicit patronage for C. J. Rich & Co., sending cash, gifts, etc.

Do you have any comment to make on that, Mr. Wyman? That is what Western Union has told this committee they found.

Mr. WYMAN. Well, that was on June 7?

Mr. BURLING. No; this is a letter dated October 3, 1950; if you be kind enough to listen to—

Mr. WYMAN. I was listening to you, but you went back and said June 7.

Mr. BURLING. No; I did not. That is a wire. I am now referring to a letter, I am reading from it. "During the latter part of 1948 and extending into 1949," and then what I read. You want it read again?

Mr. WYMAN. You said as of October 3, 1950.

Mr. SHENKER. No, no, just listen. Read that over again, Mr. Burling.

Mr. BURLING. If you would consult with your counsel outside and listen to me now, we will get along faster. I will read it again:

During the latter part of 1948 and extending into 1949, a number of incidents were brought to the attention of Western Union officials involving irregular activities on the part of C. J. Rich & Co., such as mailing literature to Western Union officers, having a representative call on Western Union managers in an effort to have them solicit patronage for C. J. Rich & Co., sending cash, gifts, etc.

Now, do you affirm or deny that such practices—

Mr. WYMAN. We have practiced that for operation X; yes.

Mr. BURLING. That is all of the things that the Western Union say they found out.

Mr. WYMAN. Some of them; yes.

The CHAIRMAN. What sort of gifts or presents would you send from time to time?

Mr. WYMAN. Christmas gifts. In most cases, Christmas.

The CHAIRMAN. I mean, substantial gifts?

Mr. WYMAN. No.

The CHAIRMAN. Twenty-five, fifty dollars, or what?

Mr. WYMAN. Oh, a lot less than that, in most cases.

Mr. BURLING. Now, as a matter of fact, the arrangement very frequently was the Western Union manager was to retain 25 percent of any successful operation X, isn't that right?

Mr. WYMAN. No; that was the rare part of it. That didn't—that happened just very seldom.

Mr. BURLING. How many times would you say that happened?

Mr. WYMAN. Well, I don't know. I couldn't remember. We haven't had the operation in a long time, and I just couldn't remember that.

Mr. BURLING. Well, now, you know that the records of C. J. Rich were seized some months back, do you not?

Mr. WYMAN. Yes.

Mr. BURLING. Isn't it the fact that contained in the seized records were letters from C. J. Rich, that is, copies of them, to Western Union managers, offering commissions of 25 percent of winnings?

Mr. WYMAN. Well, we have offered that; yes.

Mr. BURLING. And the records included letters from Western Union managers to you, that is, to C. J. Rich, thanking you for bonuses and gratuities, isn't that right?

Mr. WYMAN. Yes; we have done that.

The CHAIRMAN. Is operation X still operating or has it closed down?

Mr. WYMAN. No; operation X is closed.

The CHAIRMAN. When we were here in the latter part of July of last year, I think it was just about closed.

Mr. WYMAN. Operation X has been closed then also.

The CHAIRMAN. All right, that is all.

Mr. BURLING. I would just like to put—

The CHAIRMAN. Let the telegram be made a part of the record.

Mr. BURLING. I think the whole communication from Western Union.

The CHAIRMAN. All right.

Mr. BURLING. Should be marked "Exhibit No. 45," Mr. Chairman, please.

The CHAIRMAN. It will be made exhibit No. 45.

(The document referred to was marked "Exhibit No. 45," and appears in the appendix on p. 795.)

The CHAIRMAN. Mr. Wyman, we may want to ask you something more a little bit later on, so if you will remain here the rest of the afternoon.

Mr. WYMAN. Sure.

The CHAIRMAN. Mr. John T. English, will you come around, sir?

**TESTIMONY OF JOHN T. ENGLISH, POLICE COMMISSIONER, EAST ST. LOUIS, MO., ACCCOMPANIED BY R. E. COSTELLO, ATTORNEY, EAST ST LOUIS, MO.**

The CHAIRMAN. Mr. English, you swear the testimony you will give this committee will be the whole truth and nothing but the truth, so help you, God?

(No response.)

The CHAIRMAN. Sir, how are you? I am glad to see you.

Mr. COSTELLO. Fine, thank you, I am glad to see you.

Mr. BURLING. Will you identify yourself for the record, sir?

Mr. COSTELLO. R. E. Costello, attorney at law at East St. Louis.

The CHAIRMAN. R. E., isn't it?

Mr. COSTELLO. That is right.

The CHAIRMAN. All right, Mr. Burling, let's get to the point.

Mr. BURLING. Mr. English, how long have you lived in East St. Louis?

Mr. ENGLISH. Since about 1900. I would say, about 50 years.

Mr. BURLING. What was your first job?

Mr. ENGLISH. My first job was working for my father.

Mr. BURLING. I see. What was his business?

Mr. ENGLISH. Plumbing business.

Mr. BURLING. He has passed away, has he?

Mr. ENGLISH. That is right.

Mr. BURLING. How much money did he leave you either by will or inheritance?

Mr. ENGLISH. He didn't leave me nothing.

Mr. BURLING. Your mother has passed away also?

Mr. ENGLISH. No, sir.

Mr. BURLING. So therefore, she hasn't left you anything?

Mr. ENGLISH. No, sir; that is right.

Mr. BURLING. You haven't inherited anything from anyone else, have you?

Mr. ENGLISH. No; not that I know of; no, sir.

Mr. BURLING. Well, nothing sizable, in any event?

Mr. ENGLISH. No, sir.

Mr. BURLING. All right, now, how long have you been working for any agency of the State or local government?

Mr. ENGLISH. Since 1932.

Mr. BURLING. I see. What would you say your net worth was at the time you went to work for the State or local government?

Mr. ENGLISH. I haven't the least idea right now.

Mr. BURLING. Well, you must have some idea. Was it five thousand or a hundred thousand?

Mr. ENGLISH. Well, I would have to check my records.

Mr. BURLING. Give us your best estimate.

Mr. ENGLISIIL. I haven't the least idea.

Mr. BURLING. Come, almost everyone has an idea within \$10,000 or say, \$25,000; give us your best estimate within \$25,000 of what your net worth was when you went to work for either the city or the county over there?

Mr. ENGLISIIL. Well, that would be hard to say.

Mr. BURLING. Why would it, sir?

Mr. ENGLISIIL. I own my home, and maybe—I wouldn't know without going back and checking my records, and go back and talk to my family and find out my conditions.

Mr. BURLING. Well—

The CHAIRMAN. Well, Mr. English doesn't know and can't you tell us within \$25,000 what you had when you started in public office, Mr. English?

Mr. ENGLISIIL. Well, Senator, there is a lot of things that come in, I would have to check my records, my financial condition, my financial records, to go through it fully, to be able to answer that question, truthfully.

The CHAIRMAN. Well, will you do so, and advise the committee, and we will leave the amount blank as of this time.

Mr. ENGLISIIL. I would be glad to, sir.

Mr. BURLING. That is, by tomorrow, you can get an estimate within \$25,000, surely.

Mr. ENGLISIIL. Yes, sir.

Mr. BURLING. And you will see that before the committee hearings are over tomorrow, we will have the figure?

Mr. ENGLISIIL. That is right, sir.

Mr. BURLING. All right, now, what did you first do when you went to work for the—either the city or the county?

Mr. ENGLISIIL. I was a member of the East Side Levee and Sanitary District.

Mr. BURLING. And you stayed there from 1932 to 1937?

Mr. ENGLISIIL. That is right.

Mr. BURLING. At a salary of a hundred dollars a month?

Mr. ENGLISIIL. Approximately; yes, sir.

Mr. BURLING. And did you have any private income during those years?

Mr. ENGLISIIL. Yes, sir; on different things. My income tax would show that.

Mr. BURLING. Perhaps it would, but will you tell us?

Mr. ENGLISIIL. I don't know. I couldn't.

Mr. BURLING. Will you produce your income tax?

Mr. ENGLISIIL. You have all my records, sir.

The CHAIRMAN. I think we have the last 5 years. Well, what else did you do besides work in the Sanitary District?

Mr. ENGLISIIL. I worked for the American Radiator and Standard Sanitary as a plumbing supply salesman.

Mr. BURLING. Senator, I believe that—I believe that we do not have the income tax returns. We have inspected them, but they have been returned to—

Mr. COSTELLO. Mr. Burling, might I correct you on that.

The CHAIRMAN. Mr. Boyle, the accountant, they have been returned to him, that is correct?

Mr. COSTELLO. I understand that not—Senator, I talked to him yesterday, and I understood they had not been returned, because it was after I talked to Mr. Burling that I checked with Mr. Boyle.

The CHAIRMAN. All right, let's proceed as best we can then.

Mr. BURLING. Well, we will check and see. Our information is otherwise. There might have been a slip-up. What is your best recollection of what you did from 1932 to 1937 by way of private employment?

Mr. ENGLISH. Well, I worked as a plumbing-supply salesman.

Mr. BURLING. Well, how much money did you get?

Mr. ENGLISH. Well, that's a long time ago. I wouldn't know what I got a month.

Mr. BURLING. Well, approximately.

Mr. ENGLISH. Maybe about two or two hundred fifty dollars a month and expense account.

Mr. BURLING. About \$250 a month?

Mr. ENGLISH. And expense account.

Mr. BURLING. And then in 1937, you became a commissioner, is that right?

Mr. ENGLISH. That is right.

Mr. BURLING. Of the city of East St. Louis, is that right?

Mr. ENGLISH. That is right, sir.

Mr. BURLING. And when did you become a police commissioner?

Mr. ENGLISH. The latter part of 1942.

Mr. BURLING. And you remained police commissioner up until today?

Mr. ENGLISH. I was reelected twice; yes, sir.

Mr. BURLING. But you have been police commissioner continuously since 1942?

Mr. ENGLISH. That is right.

Mr. BURLING. Now, this morning we heard testimony from two witnesses to the effect that vice conditions in East St. Louis were virtually wide open. Do you care to comment on that, sir?

Mr. ENGLISH. Well, I don't think that is the truth.

Mr. BURLING. Well, what efforts have you made to enforce the law over there?

Mr. ENGLISH. We have made all efforts we possibly could with the police department we have got.

Mr. BURLING. Well, do you care to describe—

Mr. ENGLISH. What do you mean by "vice"? I don't know exactly what you mean by vice.

Mr. BURLING. Well, organized violations of law.

Mr. ENGLISH. No, sir.

Mr. BURLING. What?

Mr. ENGLISH. No, sir; there is no—we do everything we can to—

Mr. BURLING. Well, now, did you ever state that you would do nothing to enforce the antigambling laws?

Mr. ENGLISH. No, sir; I did not.

Mr. BURLING. Have you any statistics of the number of gambling establishments, books, or other gambling places that have been arrested while you were police commissioner?

Mr. ENGLISH. The police records would show that.

Mr. BURLING. I don't know. Can you give us any statistics?

Mr. ENGLISH. No, sir; I can't.

Mr. BURLING. Well, when is the last time that a bookmaking establishment was closed under your jurisdiction?

Mr. ENGLISH. Any time we find them open or heard them, make a complaint—

Mr. BURLING. Would you read the question.

(The reporter read back the record as follows:)

Well, when is the last time that a bookmaking establishment was closed under your jurisdiction?

Mr. ENGLISH. To the best of my memory, was that—maybe in June or July of this year or last year, 1950. There was a report in the paper about different handbooks being opened and there was an investigation being made and any found open was closed.

Mr. BURLING. You testified before the executive session a little differently, Mr. English. I am reading—you testified there, reading from the record:

I don't think any place around there in St. Louis or East St. Louis, you would have any trouble making a bet on a horse if you wanted to make a bet."

And then Mr. Halley said: "Who was that now?"

You said: "What's that?"

And Mr. Halley said: "Where?"

And you said: "Any place, I say. I guess any saloon, you would be able to make a bet."

Mr. COSTELLO. Mr. Burling, in fairness to the witness, you are reading something now that doesn't pertain to the question that you asked him. You asked him, when was the last time that there was any arrest made or anything done about bookmaking in East St. Louis. Now, then, you are talking about something entirely different.

The CHAIRMAN. Well, Mr. Costello, the previous question was as to whether East St. Louis was wide open, and the question was asked Mr. English in executive session about the matter and he said, "Well, I guess you can make a bet any time in East St. Louis or," he said, "in St. Louis, either, for that matter," as I remember.

Mr. COSTELLO. That is correct, Senator, but I was merely referring to the question that was asked him.

Mr. BURLING. Is it true that you can make a bet on a horse in almost any saloon in East St. Louis?

Mr. ENGLISH. Well, maybe that is a broad assertion, but I don't think it would be hard to make a bet if you wanted to make a bet.

Mr. BURLING. You don't try very hard to close, to make arrests of gamblers, do you?

Mr. ENGLISH. Yes, sir. Any time there is a complaint filed or anything, we get any information, we do the best we can. We have 90,000 people in East St. Louis; we've got 64 policemen.

Mr. BURLING. Have you ever—did you ever arrest or otherwise disturb the operations of Mr. Carroll and Mr. Mooney?

Mr. ENGLISH. No, sir.

Mr. BURLING. Did you know that they were among the biggest bookmakers in the country?

Mr. ENGLISH. No, sir.

Mr. BURLING. You did not know that?

Mr. ENGLISH. All I know is, Mr. Carroll was an odds maker.

Mr. BURLING. Well, did you ever investigate?

MR. ENGLISH. At one time, like I testified, that we investigated after we seen it in the paper and the place was locked. The police officers were sent up there by the orders of the chief of police and the establishment was locked.

MR. BURLING. Mr. Fickeissen, what is the status of the income tax return?

MR. FICKEISSEN. I am having a search made for them now, but as far as our records show, they are not in our possession.

MR. ROBINSON. Mr. English, did you produce them at Washington or did you produce them at St. Louis?

MR. ENGLISH. No, sir. The investigating committee subpoenaed my income taxes from Mr. Boyle.

MR. ROBINSON. Do you know whether you delivered them to a committee staff?

MR. ENGLISH. No, sir.

THE CHAIRMAN. All right, let's proceed with what went on over there. They were subpoenaed from his auditor.

MR. BURLING. Our records indicate they were returned to his auditor, Senator.

MR. COSTELLO. If they were, I might say this to you gentlemen, if they were returned, they will be returned to you. We don't have any desire to not produce them. They were in your possession.

MR. BURLING. We would like to have them at the time of the hearing, though.

THE CHAIRMAN. Let's proceed. Well, Mr. English, there was a Ringside Bar that operated over in East St. Louis, wasn't there, or did—

MR. ENGLISH. There is a Ringside Bar; yes, sir.

THE CHAIRMAN. And does that have a wire service in it?

MR. ENGLISH. Now, I don't know, Senator.

THE CHAIRMAN. Then a Vic Doyle operated for quite a while there with a crap game since 1946, didn't it?

MR. ENGLISH. No, sir.

THE CHAIRMAN. Well, he did have a crap game over there, didn't he?

MR. ENGLISH. I understood he did before 1946, Senator.

THE CHAIRMAN. And then, Tony Kenewitz, K-e-n-e-w-i-t-z, you were asked about him. Do you remember him?

MR. ENGLISH. I remember the name; yes, sir.

THE CHAIRMAN. And the question is, You testified every year that maybe you just had two or three arrests on these gambling and bookie charges, Mr. English. That is correct, isn't it, that you said you had maybe one or two each year?

MR. ENGLISH. Well, Senator, when we would raid them or send a policeman up there, if we couldn't find anything, we couldn't arrest them.

THE CHAIRMAN. Well, of course, you had the operation of John Mooney at 318 Missouri Avenue for a long, long time, didn't you?

MR. ENGLISH. I don't know anything about that, Senator.

THE CHAIRMAN. Well, wasn't it your duty to find out something about it, Mr. English?

MR. ENGLISH. Well, the first time I knew about it was when I seen it in the paper.

MR. BURLING. Is that your idea of good police work, Commissioner?

MR. ENGLISH. Well—

Mr. BURLING. When the largest bookmaking establishment in the United States of America is running as a matter of which people in New York and San Francisco know about, all over, but you don't know about it a few blocks from your headquarters until you read it in the paper.

Mr. ENGLISH. I did not know about John Mooney.

The CHAIRMAN. Well, I believe you said one time that you had some legal opinion that just taking bets on the telephone was not a violation of the law or something of that sort. Did you make that statement?

Mr. ENGLISH. No; I—no; I don't think—I think that is wrong. I said that I didn't think an oddsmaker—I had any business bothering an oddsmaker. That is what I—if I may correct myself.

The CHAIRMAN. You said you knew about Costello and Freidburg running a book at 749 Collinsville Avenue.

Mr. ENGLISH. I understood they did.

The CHAIRMAN. Did you do anything about them?

Mr. ENGLISH. We raided them several times.

The CHAIRMAN. Well, up to about June 1950, they were still operating, were they not?

Mr. ENGLISH. Not—only if they were, they were on a sneak basis, and we couldn't catch them doing anything wrong.

Mr. COSTELLO. Senator, I would like to have the record show that that Costello that you referred to is not the Costello that is presently here.

The CHAIRMAN. Oh, yes. Well, we will certainly show that that is—he spells his name differently from you.

Mr. COSTELLO. No; he don't; he spells it the same way.

The CHAIRMAN. All right, he is not you. We will let the record show that.

Mr. COSTELLO. Correct.

The CHAIRMAN. Now, here is a fellow, Kaesberg, K-a-e-s-b-e-r-g, which they found running a booky right across the street from Carroll. Do you know about him?

Mr. ENGLISH. They say he ran a sneak book.

The CHAIRMAN. How about Tell and Stevens of 735 North Sixteenth Street. Do you know anything about their operation?

Mr. ENGLISH. That is supposed to be a sneak book, too.

The CHAIRMAN. What did you do about that?

Mr. ENGLISH. We would go out there and search it and try to find evidence. If we found any evidence, we would arrest them.

The CHAIRMAN. Did you ever arrest any of them?

Mr. ENGLISH. Yes, sir.

The CHAIRMAN. Ever arrest Tell and Stevens?

Mr. ENGLISH. Whoever was out there, if he found—they arrest them and I believe they plead guilty and paid a fine.

The CHAIRMAN. How about the National Cigar Store at 414 Missouri Avenue?

Mr. ENGLISH. That is an empty building, Senator.

The CHAIRMAN. Well, there was a bookmaking place in there, wasn't there?

Mr. ENGLISH. There was a—

The CHAIRMAN. Right across—

Mr. ENGLISH. Maybe a long time ago.

The CHAIRMAN. Right across from the Journal.

Mr. ENGLISH. That's been a long time ago. That's been closed for 5 or 6 years.

The CHAIRMAN. How about Carroll and C. J. Rich's; are they closed down now?

Mr. ENGLISH. I think that Mr. Carroll—as far as Mr. Rich is concerned, I don't know anything about Mr. Rich, Senator.

The CHAIRMAN. You never knew he had his—got his telegrams over in East St. Louis.

Mr. ENGLISH. No way I could find that out that he would get his telegrams in East St. Louis. His post office address—box—was in National City.

The CHAIRMAN. Where do you think it would be easier for him? Why do you think he would feel safer getting his telegrams over there than he would here in St. Louis?

Mr. ENGLISH. I wouldn't know.

Mr. BURLING. Now, other testimony before this committee indicates that Pioneer News Service had a very considerable number of Western Union tickers, called 8-A tickers, in East St. Louis. Did you make any effort to locate those?

Mr. ENGLISH. No, sir.

Mr. BURLING. What—as a police expert, what is your opinion, what in your opinion, is the purpose of having a Western Union ticker receiving information from Pioneer News Service?

Mr. ENGLISH. I wouldn't know if the ticker received the information. It might be baseball scores or other scores. I wouldn't know anything about that.

Mr. BURLING. You never thought it appropriate to find out what Pioneer's News Service was doing or what use was being made of its service?

Mr. ENGLISH. No, sir..

Mr. BURLING. Nobody ever told you that Pioneer News Service was distributing racing information to bookies in this neighborhood.

Mr. ENGLISH. Only what I seen in the paper.

Mr. BURLING. You never found that out before it was in the paper?

Mr. ENGLISH. They were never in East St. Louis.

Mr. BURLING. Oh, yes, they were.

Mr. ENGLISH. No, sir.

Mr. BURLING. You mean there was never any 8-A ticker in East St. Louis?

Mr. ENGLISH. I don't know that, but the Pioneer News Service was never in East St. Louis.

Mr. BURLING. Mr. Robinson, would you point out a few of the locations in East St. Louis where there are 8-A tickers?

Mr. ROBINSON. Indicated here in purple strings running across.

Mr. BURLING. You never thought it would be—help you in police work to ask other officials, say, to ask the Attorney General of Missouri, who was conducting an open fight in the courts to suppress Pioneer for years, it never occurred to you to ask him if he knew what Pioneer was doing or who was buying its services or where its customers in your city were?

Mr. ENGLISH. No, sir: I didn't.

Mr. BURLING. Well, you read in the papers about Attorney General Taylor's fight to suppress Pioneer, did you not?

Mr. ENGLISH. I seen that in the paper; yes, sir.

Mr. BURLING. Way back for years?

Mr. ENGLISH. No; I didn't. I seen it about last June or May or June, or something like that, last year.

Mr. BURLING. It was started in '47. It's been in the courts for 4 years.

Mr. ENGLISH. I didn't see that, sir.

Mr. BURLING. I see. You don't read news of that sort in order to keep up with your duties as police commissioner?

Now, when we did have access to your income-tax returns, we noted that in '43, that is, 1943, your income from the city of East St. Louis, was \$4,000; rents, \$2,508; miscellaneous, \$209.55, a rather modest income; and then there is an additional item of income, political contributions, \$24,000. Do you care to explain where that was?

Mr. COSTELLO. Senator, might I at this time interpose an objection to any questions relating to the income-tax reports of Mr. English, on the grounds that they are confidential in their nature, and under the law, they are not properly, not proper to subpoena them in court, and that if they were delivered to the committee, in secrecy and merely to enable the committee to form their own opinion concerning the papers themselves; it was done in a confidential way and to inquire about them in public is violating the man's rights that are guaranteed to him by the laws of the United States.

Mr. BURLING. I might say, Mr. Chairman, for a police commissioner to come before this committee, when—and raise an objection of this kind—we have got over a hundred thousand dollars in what are political pay-offs, or political contributions, is most extraordinary.

The CHAIRMAN. Well, Mr. Costello, they were not brought in by the witness himself. They were legally subpoenaed, the copies were. They are not the original returns. We have nothing that we have got even from the Government. They are copies that were brought in, which his auditor and accountant brought in, so that I think it is proper to ask him about them. Let's just ask it this way, that, make it short, beginning in 1900—ask Mr. English if beginning in—

Mr. BURLING. Suppose I just read the items.

The CHAIRMAN. Well, let's put it this way: beginning in 1943, if in addition to his rather modest salary and what not, if he paid income tax on items marked political contributions ranging from about twenty-four to thirty-two thousand dollars over a period of years.

Mr. BURLING. In fairness to the witness, it should be said that during the years that we heard this morning conditions got better, the political contributions dropped off.

The CHAIRMAN. Well, phrase your question so as to ask the amount in each year and let's see if Mr. English will answer.

Mr. BURLING. Do you recall reporting as your personal income, \$24,000 in 1943?

Mr. COSTELLO. Well, I still renew my objections.

The CHAIRMAN. I overruled your objection, Mr. Costello.

Mr. COSTELLO. All right, if you recall, you might answer.

Mr. ENGLISH. I don't recall, no, sir.

Mr. BURLING. Do you recall recording a very substantial sum? You weren't a man of means at that time. Can't you say whether you reported a total income of \$30,000?

Mr. ENGLISH. I couldn't do that without going through my records, and I—only way I could do it.

Mr. COSTELLO. The record itself would be the best evidence.

Mr. BURLING. Well, let's say that is why we are disappointed that we don't have the records as we asked that they be produced.

Mr. COSTELLO. Well, now, in all fairness, I want to say to you, Mr. Burling, that there is no attempt on the part of Mr. English to not produce them. As far as he knows, they were delivered to the committee by Mr. Boyle last July. Now, what the committee has done with them—

The CHAIRMAN. I think as the matter stands, you are correct, Mr. Costello, unless we have got some knowledge we delivered them back to Mr. Boyle, they must be in our office. I think they were delivered back to Mr. Boyle, but may be Mr. English doesn't know about that, so we will get hold of Mr. Boyle.

Mr. BURLING. If we could also find out from the canceled checks the tax that year was \$19,198. Do you have a canceled check showing the payment of your income tax?

Mr. ENGLISH. I don't recall; no, sir.

Mr. BURLING. Do you know now whether you have your canceled checks back that far?

Mr. ENGLISH. No, sir.

Mr. BURLING. You mean, you don't have them or you don't know.

Mr. ENGLISH. I haven't them.

Mr. BURLING. What?

Mr. ENGLISH. I have no checks, no canceled checks back that far.

Mr. BURLING. You destroyed them?

Mr. ENGLISH. I don't know just how it was paid.

Mr. BURLING. All right, in 1944, do you recall whether you again reported political contributions, this time in the sum of \$30,000?

Mr. COSTELLO. May the record show the same objection, Senator.

The CHAIRMAN. All right. We will overrule the objection.

Mr. COSTELLO. Thank you.

Mr. ENGLISH. I don't recall.

Mr. BURLING. Surely you recall, if you have a small income, you live modestly, you recall whether you had an additional sum as large as \$30,000?

Mr. ENGLISH. I don't recall, sir.

Mr. BURLING. Well, do you recall whether you paid a tax of about seventeen thousand that year?

Mr. ENGLISH. No, sir.

Mr. BURLING. In 1945, you recall on political contributions, they were about thirty-one thousand.

Mr. COSTELLO. Same objection.

Mr. ENGLISH. I don't recall, sir.

Mr. BURLING. Do you recall whether the tax was about eighteen thousand?

Mr. ENGLISH. I don't recall, sir.

Mr. BURLING. Surely, sir, if your income from matters other than political contributions for 1945 was \$4,000 for your salary as commissioner, and three-thousand-odd for rents, and two hundred and eighty-five for other miscellaneous matters, you must recall whether you paid an income tax as large as \$18,000; that would bite into any man's pocket.

Mr. ENGLISH. The record will show that, Mr. ——

The CHAIRMAN. Mr. English, let's see if I can help get the matter straightened out. We did at least have the 1946 copy of returns Mr. Boyle had prepared when you were examined in Washington and shown to you by Mr. Halley, in 1946. In that year you reported the sum of \$32,875 as income from political contributions. Will you state the detail that is behind that item, Mr. English—that was the balance that was left after all the bills were paid that year.

"I was treasurer of the Democratic Party"—and then you went on to explain how the matters—it was handled generally in that way and that actually you paid out the amounts to the ward leaders and so forth, so regardless of the exact amount, was that the way you handled political contributions in these substantial amounts?

Mr. ENGLISH. Yes, sir.

The CHAIRMAN. Well, now, tell how you did it, anyway, because on the face of it, it doesn't look good.

Mr. ENGLISH. Just the way the record shows, Senator.

The CHAIRMAN. Well, in other words, Mr. English, you mean that you would collect money for the purpose of carrying on a campaign which is, of course, a worthy purpose—it takes money to run any campaign—and then that after the bills were paid, current bills, why, then you would put the rest of it either in, I believe, in a safety-deposit box or in a bank account?

Mr. ENGLISH. Right.

The CHAIRMAN. And then that you would report that amount of money as personal income and pay a tax on it, is that the way you handled it?

Mr. ENGLISH. That is right.

The CHAIRMAN. And then what would happen with the balance that you had—I mean, if you reported, say, for instance, \$32,000, you would have to pay about half of that out to the Government for tax. In the first place, that penalizes the fellow who makes his contribution, and in the second place, how do we know that that remaining sixteen thousand was used for campaigns? What did you do with it?

Mr. ENGLISH. I used it for campaigns, to keep the organization going.

The CHAIRMAN. You mean that you—

Mr. ENGLISH. Mr. Boyle made an affidavit that he advised me to pay an income tax on the balance. I got the best authority I could, to pay my income tax.

The CHAIRMAN. You mean, Mr. Boyle, your accountant, advised you?

Mr. ENGLISH. He advised me that I had to pay a tax on the balance and I paid it.

The CHAIRMAN. But you think you could just open an account, Democratic Party, and put it in the bank and had a current account for the years to come?

Mr. ENGLISH. I don't know, sir.

Mr. BURLING. Well, now, you—and if you had a balance at the end of 1 year and that wasn't expended at the end of the next year, you pay a tax on it twice, wouldn't you?

Mr. ENGLISH. Well, maybe if there was anything left.

MR. BURLING. There was something left in 1943, there was twenty-four thousand left. By 1944, thirty-three thousand left, paid the tax on twenty-four, and then in 1945, it goes up to thirty-one; you paid the tax three times or more than one hundred cents on the dollar, according to your theory.

THE CHAIRMAN. No; I don't think that is Mr. English's theory. Say, this year, 1943, after paying off the bills he had twenty-four thousand left; then you would put that in with your fund and pay tax on it; is that correct?

MR. ENGLISH. That is right.

THE CHAIRMAN. And then that as you went along, though, during the year, or saving up for campaign, you would pay out the balance you had left out of that twenty-four for campaign expenses, but you let—is that correct?

MR. ENGLISH. That is right.

THE CHAIRMAN. But you let the donor actually pay the tax; that is, he didn't get the benefits for political purposes of the full amount that he put in because half of it already had been paid out for taxes; isn't that the way it worked?

MR. ENGLISH. Well, I don't know, Senator, how to answer that question. I was protecting myself as much as I was anybody else, and I was advised to pay the tax on the balance.

MR. BURLING. Who advised you to pay the tax?

MR. ENGLISH. My auditor, Mr. Boyle.

MR. BURLING. You say you have an affidavit to that effect?

MR. ENGLISH. The Senator has a record of an affidavit, too; I believe I got a copy—

THE CHAIRMAN. I don't believe you said anything about an affidavit. You did say, in fairness, that Mr. Boyle advised you to that effect and you also said somebody with Internal Revenue or used to be with Internal Revenue advised you.

MR. ENGLISH. He told me—I said that he said I had the best man to make out my income tax, and with my records, I have got an affidavit that Mr. Boyle made to the Government investigators that he advised me to pay the tax on that amount of money.

MR. BURLING. A total of \$131,425, in 1943 through 1949, is that correct?

MR. ENGLISH. I don't know. I don't know.

MR. BURLING. And Mr. Halley, and I believe, the chairman also made it quite clear to you when you appeared in the executive session on July 31, that you most certainly were not liable for that tax if it was in fact a bona fide political contribution; isn't that so?

MR. ENGLISH. Well, Mr. Halley don't make out my income tax either.

MR. BURLING. No, I say—he did advise you to that effect?

MR. ENGLISH. I asked him, could I ask for a refund, and he told me not to use his name.

MR. BURLING. Well, that might also be. I can't read his mind.

THE CHAIRMAN. Oh, no, Mr. English, there is no statement like that in—I have read this over very carefully.

MR. ENGLISH. We were talking off the record.

THE CHAIRMAN. I said, and both Mr. Halley said that, that it was not proper to put this money in, campaign money in with your own funds and that if the total amount of money was that, where you got the \$32,000, if you actually spent \$32,000 for a campaign, that money,

that you were entitled to a refund, or the contributors were entitled to a refund, that it is not proper to be taking an income tax from the contribution that is made for political purpose.

Mr. BURLING. The point is, not that you did not sufficiently pay the tax; the point is if this was, in fact, a bona fide political contribution, then you have paid income tax on \$131,000 that was not taxable to you as income. Now, my next question is: have you gone around to the Bureau of Internal Revenue and asked for a refund?

Mr. ENGLISH. No, sir; I have been sick since I have been to Washington. I haven't been out very much.

Mr. BURLING. Have you taken any steps toward getting a refund on this money?

Mr. ENGLISH. No, sir.

Mr. BURLING. Even though you were quite clearly advised that if it was a bona fide political contribution, then you were—

Mr. ENGLISH. That is just another man's opinion. My auditor told me what to do and I followed his advice.

The CHAIRMAN. Let me ask you also. You said something about a John Shaeffer.

Mr. ENGLISH. Yes, sir.

The CHAIRMAN. What did he tell you?

Mr. ENGLISH. Well, I understand that he changed his story a little bit. I asked him about it, and he told me that anything that Mr. Boyle advised me, that that was the right thing to do. That is the statement I want to make now about Mr. Shaeffer. That is what—

The CHAIRMAN. He was formerly with the Internal Revenue Department, but he wasn't when you were advising with him, was he?

Mr. ENGLISH. Oh, yes, sir; yes, sir; he was head of the East St. Louis internal-revenue department.

The CHAIRMAN. Yes; but the statement now is that anything that Mr. Boyle advised you to do, that Mr. Boyle was a good man or something of that sort?

Mr. ENGLISH. Told me I had the best.

The CHAIRMAN. Mr. English, actually, though, don't you think the way a thing like this should be handled, that if you are collecting money for a church or for a political campaign or for some money that doesn't belong to you, to open up a separate bank account and put it in that bank account and draw it out for expenses as you go along; that is the way you would handle a bank fund, isn't it, if you—

Mr. ENGLISH. I guess that is true.

The CHAIRMAN. If you are treasurer of a church, I mean, and isn't this the same sort of thing?

Now, Mr. Costello, we have the records here that we—apparently they were with us, and figures read, and the records in round figures do show these amounts that have been read here.

Mr. COSTELLO. I accept your apology.

The CHAIRMAN. All right, sir.

Now, another thing, Mr. English, when we talked with you in Washington, you were going to look up—I want to say in fairness—and try to find out some of your books and records, although you said they were very scant, and you might not have many of them available, what you actually spent this money for, or who you gave it to for campaign purposes and what not. Have you done that?

Mr. ENGLISH. Senator, I had a heart attack on August the 11th, and I was only out of my home about once or twice the first of the year, and I haven't had time to do that.

The CHAIRMAN. Now, what property do you own, Mr. English? You have a home.

Mr. ENGLISH. I have the home I live in, 1421 St. Louis Avenue.

The CHAIRMAN. What would you say that was worth?

Mr. ENGLISH. I paid \$3,500 for it in 1940.

The CHAIRMAN. And your wife has a summer house that—or do you have a summer house?

Mr. ENGLISH. No, sir.

The CHAIRMAN. You don't have a summer house?

Mr. ENGLISH. No, sir.

The CHAIRMAN. You did have, didn't you?

Mr. ENGLISH. No, sir.

The CHAIRMAN. Oh, it was your brother's or who was that? I thought it was you or your wife.

Mr. ENGLISH. My sister-in-law.

The CHAIRMAN. Oh, your sister-in-law. Then you had an interest in some flats, didn't you, that you made some money out of?

Mr. ENGLISH. Yes, sir.

The CHAIRMAN. Do you still have them?

Mr. ENGLISH. No, sir.

The CHAIRMAN. Make about \$10,000 out of them?

Mr. ENGLISH. I don't know, sir. It was in the record, in my income tax.

The CHAIRMAN. And what else?

Mr. ENGLISH. Owned the home next door to me, 1425.

The CHAIRMAN. What would you say that was worth?

Mr. ENGLISH. I don't know—about \$10,000 or \$12,000.

The CHAIRMAN. Then, do you have a business?

Mr. ENGLISH. No, sir; I have no business.

The CHAIRMAN. Is that all the real estate or property that you own?

Mr. ENGLISH. I have got an apartment on Sixteenth and Belmonte Avenue, with a \$7,000 mortgage on it.

The CHAIRMAN. What would be your equity? What did you pay for it?

Mr. ENGLISH. \$12,000.

The CHAIRMAN. So about \$5,000 you have got, about that?

Mr. ENGLISH. Yes, sir. I own a lot in Oaknole.

The CHAIRMAN. A lot. What is that worth?

Mr. ENGLISH. Maybe about \$4,000.

The CHAIRMAN. You got some rent money every year. You have St. Louis Avenue—is that something you have?

Mr. ENGLISH. 1623 St. Louis Avenue; yes, sir.

The CHAIRMAN. 1425 St. Louis Avenue.

Mr. ENGLISH. That is next door to me.

The CHAIRMAN. 560 North Sixtieth Street.

Mr. ENGLISH. Well, that belongs to my wife. That don't amount to anything, Senator.

The CHAIRMAN. What is that worth?

Mr. ENGLISH. Oh, I don't know; a couple hundred dollars, I guess.

The CHAIRMAN. 1600 Belmonte.

Mr. ENGLISH. That is the apartment, four-family apartment.

The CHAIRMAN. Did you keep these campaign funds in a bank account or in a safety deposit box or both, or do you remember?

Mr. ENGLISH. I never had them in the bank account; no, sir.

The CHAIRMAN. You mean, you kept them in a safety deposit box?

Mr. ENGLISH. That is right, sir.

The CHAIRMAN. That is, you mean, and as you need to spend money for advertising, or in some ward or precinct, then it would just be paid out in cash?

Mr. ENGLISH. That is right.

The CHAIRMAN. That is the way it was handled. Is this generally the way that many political people in your part of the country handle their campaign contributions they collect, that is, have any balance over, put it in and spend it out later.

Mr. ENGLISH. I don't know, Senator. All I know is what I done myself.

The CHAIRMAN. Well, did you get mixed up with some Supreme Court decision that you—do you know about that—did you base it on some Supreme Court decision?

Mr. ENGLISH. No, sir; no, sir.

The CHAIRMAN. That wasn't—

Mr. ENGLISH. No, sir.

The CHAIRMAN. All right, let's get on. Anything else?

Mr. BURLING. This farm that you say your sister-in-law, that is Mrs. Sousy?

Mr. ENGLISH. That is right.

Mr. BURLING. Does she ever live there? Does she go there, or do you live there in the summer?

Mr. ENGLISH. No, sir; I don't live there. I visit there.

Mr. BURLING. I see. Well, does she visit there also?

Mr. ENGLISH. She owns it.

Mr. BURLING. Are you there much more than she is?

Mr. ENGLISH. No, no.

Mr. BURLING. You are not?

Mr. ENGLISH. No.

Mr. BURLING. Did you have anything to do with building a very elaborate swimming pool there?

Mr. ENGLISH. No. It is a lake that is riprapped with brick.

Mr. BURLING. Riprapped with brick?

Mr. ENGLISH. Yes.

Mr. BURLING. Can you tell us anything about how the brick got there? What kind of trucks?

Mr. ENGLISH. There are rocks all around the brick. Rock is all around the place.

Mr. BURLING. I thought it was brick.

Mr. ENGLISH. Maybe I made a mistake about brick. It is rock and concrete.

Mr. BURLING. Anyway, weren't some East St. Louis city trucks used in connection with that operation?

Mr. ENGLISH. No, sir.

The CHAIRMAN. Do you girls want to change? I think we are through anyway.

Mr. Costello, you want to ask Mr. English any questions?

Mr. COSTELLO. No, I do not.

The CHAIRMAN. You have anything you want to say, Mr. English?

Mr. ENGLISH. No, sir.

The CHAIRMAN. Explanations? You do have some records, but you haven't had a chance to get them all up and you haven't kept them very accurately?

Mr. ENGLISH. I will try to find what I have, Senator.

The CHAIRMAN. I want your statement, do you think that you spent the balance left after tax, or you spent the total amount or you didn't spend any substantial amount of it; what is your statement about that?

Mr. ENGLISH. I wouldn't know. I will check my records, and I will let you know about it. I will see that you get them.

The CHAIRMAN. All right, that is all, Mr. English.

Mr. COSTELLO. Thank you, Senator.

(Temporary recess.)

(Following recess.)

The CHAIRMAN. Is Mr. Wyman here? Mr. Shenker, is Mr. Wyman, your client, here?

Mr. SHENKER. I just sent for him. Mr. Rich is here yet. He is on the way.

Mr. BURLING. If you want to make a statement as to correction, Mr. Wyman would like to make after looking at his records, I think that will be satisfactory.

Mr. SHENKER. Very well, he didn't look at his records. He added up in his own mind, after he was outside, and he said that the figure which he estimated at a million dollars a year on the highest year may be as much as four or five million dollars a year.

Mr. BURLING. In other words, the volume, the biggest year of C. J. Rich of Rich & Wyman would not be a million, as he said, but he now thinks it would be perhaps four or five million?

Mr. SHENKER. On an estimated basis.

Mr. BURLING. All right.

The CHAIRMAN. How about the exhibit, that pamphlet that Mr. Wyman had?

(Reporter left hearing room to secure exhibits.)

The CHAIRMAN. Let the record show the witness is sworn and will you start over again?

#### TESTIMONY OF H. E. VERMILLION ON BEHALF OF WESTERN UNION CO., ST. LOUIS, MO.

Mr. BURLING. What is your position?

Mr. VERMILLION. Superintendent of Western Union, St. Louis area.

Mr. BURLING. And you have been that, in that position since 1948?

Mr. VERMILLION. That is right.

Mr. BURLING. And you are familiar with the account with Western Union of C. J. Rich & Co.?

Mr. VERMILLION. That is right.

Mr. BURLING. As a matter of fact the wires or money orders that came in, came in as a matter of practice C. J. Rich & Co. in care of H. E. Vermillion, is that right?

Mr. VERMILLION. No, sir; money orders came in addressed to C. J. Rich & Co. at East St. Louis, Ill.

Mr. BURLING. Oh, I see. Go ahead and tell us what you know about the relationship between Western Union and C. J. Rich & Co.

Mr. VERMILLION. When I came here in 1948, C. J. Rich & Co. was operating, at least to my knowledge, in East St. Louis, Ill. Money orders and messages were received in our East St. Louis, Ill., office and were picked up by his own manager at our main office in East St. Louis.

Mr. BURLING. That would be on a daily basis or hourly?

Mr. VERMILLION. Well, he picked them up sometimes as much as three times a day.

Mr. BURLING. Did Rich keep an account with you or would he always cash his money orders each day as they came in?

Mr. VERMILLION. Well, let me explain that, because I think Mr. Wyman didn't clear the matter up this morning when he was talking about it. In the first place, one of his customers came into a Western Union office in a distant city, wanted to wire money to C. J. Rich & Co. in East St. Louis, Ill. His customer deposited with us the amount of money, if it was \$10, for C. J. Rich, and in some instances he had arrangements with his customers whereby the customer deducted the charges for the money order transaction. In other words, if the money order cost a dollar and fifty cents, then they said, "Wire \$10 less the charges," which we wired less the charges to C. J. Rich & Co. in East St. Louis, Ill.

Mr. BURLING. In other words, dropping this operation—because I take it you are perfectly willing to testify freely, are you not?

Mr. VERMILLION. Surely.

Mr. BURLING. Assuming that I wanted to place a bet on a given horse and I am in, let's say, Chattanooga—is that all right, Senator?

The CHAIRMAN. That is all right. We have walking horses down in Tennessee. They don't run very fast.

Mr. BURLING. And I come in, if I feel like I would like to put a hundred dollars on account in your Chattanooga office, and then I could say, "I want to bet \$10."

Mr. VERMILLION. You wouldn't do that. What you would do would go into a Western Union office and say that you wanted to wire C. J. Rich & Co. \$100.

Mr. BURLING. I see.

Mr. VERMILLION. Then we would take the \$100 and wire it to C. J. Rich & Co., if the sender told us it was addressed to C. J. Rich & Co. in East St. Louis, Ill. We would take the \$100—there's two methods of sending that. One was that in some instances his customers were permitted to deduct the amount of charges for wiring the \$100. In other instances he had accounts that he had opened with us in certain cities where he paid the charges himself, and he rendered a monthly statement to C. J. Rich in East St. Louis for his total telegraph account for that month, but the principal of which, \$100 that you speak of was an individual transaction between C. J. Rich & Co. and the sender of that money order. We had nothing as far as I know to do with any charging of principals and that sort of thing. At the end of each day we totaled up and made out an individual draft for each transaction, for each money order he received, and then after we totaled that up as individual transactions, we reached a total of whatever it happened to be, several thousand dollars and made one draft attached to these single drafts, I mean one draft for the larger amount attached to the single draft identifying them where they came from, you see.

Mr. BURLING. In other words, at the end of the day if betters all over the country had bet, say, \$10,000, a total that day—

Mr. VERMILLION. That is right.

Mr. BURLING. And had wired it in, there would be a single sheet for each bet?

Mr. VERMILLION. That is right.

Mr. BURLING. And a Western Union money order for the total attached thereto?

Mr. VERMILLION. Western Union money order for the total.

Mr. BURLING. What would his managers do with the money orders? Would they cash them with you?

Mr. VERMILLION. No, no; we just turned the drafts over to them. I don't know what happened to them.

Mr. BURLING. When you say "drafts," you mean the checks?

Mr. VERMILLION. The check, yes.

Mr. BURLING. Like a check you draw on a bank account?

Mr. VERMILLION. That is right, on the First National Bank in St. Louis.

Mr. BURLING. Do you have any figures with you that show the volume of money flowing in over any period?

Mr. VERMILLION. Mr. Burling, I don't seem to happen to have any figures on the total amount Mr. Rich received and sent daily. I don't believe that was contained in my subpoena. I did on the other parties but I don't believe it was called for in the subpoena.

Mr. BURLING. Just of your own knowledge, would these figures of the volume of telegrams sound right to you: On May 31, 1950, 500; approximately 500 telegrams came in; May 9, 1950, 500; April 26, 750; April 29, 1,000; May 2, 1,000; running between 500 and a thousand through the month of May 1950.

Mr. VERMILLION. That is about right.

Mr. BURLING. Have you any idea what the approximate average amount of money per telegram would be?

Mr. VERMILLION. You mean the principal, the money that we paid him?

Mr. BURLING. The money you paid to Rich; yes.

Mr. VERMILLION. No, I don't have the least idea. I might be able to get it from some other figures here.

Mr. BURLING. How much a day, approximately, would Rich receive in Western Union money orders?

Mr. VERMILLION. Well, I don't recall exactly but I could come pretty close on a monthly basis by saying that would amount to in the neighborhood of \$250,000 a month that we would receive for it. You see, you didn't call for that information in my subpoena and as a result I didn't gather those statistics but I have them in the other matter. I can say this to you—

The CHAIRMAN. All right, \$250,000 a month. Let's get on.

Mr. BURLING. The witness from C. J. Rich testified there were cases in which Western Union employees solicited bets. He said "solicited operation X," but we all understood him, and in return sometimes received gratuities or commissions. Do you know whether Western Union made an investigation of that situation?

Mr. VERMILLION. Mr. Burling, myself, and an associate of mine received permission from the court, County Court of St. Louis County, to read and check over the so-called list of some 200 agents that—

Mr. BURLING. You are referring to the box?

Mr. VERMILLION. That box.

Mr. BURLING. To the Western Union agents in a box, metal box, with alphabetic tags, Western Union agents, is that the box you are referring to?

Mr. VERMILLION. Yes, that is the box I had permission from the court to go through, and I spent about 4 hours reading the mail and checking that list and making an investigation for the general offices, and as a matter of fact, after taking that list down, I believe there's some 160 names of individuals, but those listed in that card index were places where we had charge accounts for C. J. Rich, and if you will note from some of the cards, there were names such as Effel and Lueta, money order agents, Shelby, N. C.

Now, after we completed the investigation, I called Mr. Rich and asked him to come down to my office, that I wanted to discuss this matter with him, because all betting commissioners in the past had been put on notice that we did not desire that they have anything to do with our offices, mailing literature and that sort of thing, and gratuities, and Mr. Rich did come down, accompanied by Mr. Wyman, and discussed the matter with me at some length, and his explanation of this thing was that these were where we had charge accounts and when they had a solicitor out in the field, they would go in a Western Union office after they had canvassed their customers and say to the Western Union money-order girl or manager, "I'm C. J. Rich" or "I'm a representative of C. J. Rich in East St. Louis, Ill., and you are going to be handling money orders for us, and we want you to see that you give good service on them and send them in as promptly as you can to us."

Mr. BURLING. That is what Wyman said to you?

Mr. VERMILLION. Oh, yes, that is what Wyman and Mr. Rich said to me.

Mr. BURLING. That is not what Mr. Wyman said here under oath.

Mr. VERMILLION. I am telling you what Mr. Wyman and Mr. Rich said to me. Furthermore, in that index I picked out some 21 names which indicated that there may have been some of our people receiving some gratuities from C. J. Rich & Co., and in questioning Mr. Wyman and Mr. Rich in connection with that matter they said, "Why, sure, we go into a town and solicit our customers and then we go into a Western Union office and say, 'Who handles the money orders here?' and the little girl at the counter would say, 'Well, I handle the money orders,' they would say, 'Well, I want you to rush this money order through when you receive it from some of my customers when it is addressed to me at East St. Louis,'" then Mr. Rich tells me that he quite frequently bought a bottle of perfume or maybe a couple of bottles of whisky or threw a \$20 bill on the counter and said, "Split that up among the four people who work in that office," and "Good-by" and out the front door.

Now, we completed quite a thorough investigation but I didn't get copies of the investigation and most of the information I received after I completed my investigation here and the general office carried on the investigation, I heard that in most instances it checked out with what Mr. Rich and Mr. Wyman had previously told me before we made our investigation.

Mr. BURLING. Well, now, one of the names, Mr. Chairman, looking under "W" in this box that has been indicated—oh, it's under "M,"

the alphabetical system works by the location and not by the name—is the name Ed Weldon, 1408 Jennifer Street, Madison, Wis. I would like to read into the record at this point, if I may, a telegram, or it looks like a teletype, which was found in the C. J. Rich papers at the time of the raid.

It is signed "Ed Weldon, 1408 Jennifer Street, Madison, Wis." which would give rise at least to an inference that he was connected with Western Union at the time. The card also indicates that he is a Western Union delivery clerk and the card has on it, the indication "Will handle biz," b-i-z; the message is:

C. J. RICH & Co.,  
Post Office Box 1346, St. Louis, Mo.

(Attention of Ed Fisher.)

DEAR ED: I thought I would drop a few lines, let you know I am still here. Sure I know today is a holiday. So what? W. U. wants their employees to work 7 days per week. Keep them out of trouble. Ha. Ha. Well, Mr. Fisher, things are beginning to shape up here at Madison now and looks a bit brighter. Don't know if you heard or not but the so-called heat was on here for a couple of months. Pretty tough sledding along lines of your interest. Local boy got picked up booking here and he appeared to be jealous of Western Union and the way communications are handled. He told the judge if W. U. could get away with it, he thought he could—as a taxpayer. Can you imagine that?

Nevertheless, there was plenty stink in local papers. Photographers sneaking around office here trying to get exhibits, etc. Dane County district attorney made statements to papers reference big investigation (before election), etc.; however, he was not too well versed. Local FBI man put him straight and he pulled in his horns. The regular boys were frightened. They hardly never came near office for fear of photographers and snoopers. We have their nerves settled again and it appears they will be making themselves at home. Been working continuously your direction, Ed, and hope doing O. K. by you. Notice the new ones. Ray had local competition also, but now he's left State and won't be bothered by him. All out your literature. Got some more? Send my home address. Appears be more new ones popping up constantly.

Sincerely yours,

ED WELDON.

I think it can be exhibited.

The CHAIRMAN. It has been read into the record.

Mr. BURLING. When did you cease doing business along the lines we have been talking about with C. J. Rich & Co.?

The CHAIRMAN. Tell us approximately, Mr. Vermillion.

Mr. VERMILLION. June 26, 1950, C. J. Rich & Co. notified us they were quitting business. We canceled all money orders.

Mr. BURLING. That is when they were ready. By the way, do you have any approximation of the amount of money orders per day or per month that Rich wired back?

Mr. VERMILLION. No; but I can get those figures for you.

Mr. BURLING. I think the committee would be interested in having a monthly breakdown, if you could do it, of incoming and outgoing money orders.

Mr. VERMILLION. I believe—

Mr. BURLING. If you could do that by tomorrow—

Mr. VERMILLION. I believe I can get them for you from January 1 through the day he quit.

The CHAIRMAN. All right, let's get them for a typical month anyway, Mr. Vermillion.

Mr. VERMILLION. Yes, sir.

Mr. BURLING. What was the policy before Rich quit of, at least your office of Western Union, with respect to doing business with bookmakers?

Mr. VERMILLION. Well, I don't understand that question, Mr. Burling.

Mr. BURLING. Did you have a policy of not taking bets or transmitting money when a better won if you knew it was illegal?

Mr. VERMILLION. No, we had no policy of that, as far as our tariffs are concerned, anybody is privileged to send a money order unless there is a supplemental message in there in certain States which prohibit by law containing a bet or a wager.

Mr. BURLING. Did you ever consult, did you or your office, so far as you know, ever consult counsel to find out whether it was a violation of the law of Illinois if he engaged in bookmaking?

Mr. VERMILLION. Certainly, our legal department in New York has passed on that opinion. As a matter of fact, there are 22 States which prohibit money orders containing supplemental messages on wagers. If a money order came in here with a supplemental message in it, it could be identified as strictly a wager, then we turn that money order back and refund not only the principal but the charges on it to the sender; we wouldn't pay that out.

Mr. BURLING. Let's go back to the hypothetical bet I was going to place say a year ago from Chattanooga. I would come in and send \$10 plus the cost of the money order, I would pay it to the Western Union clerk and \$10 would be wired to C. J. Rich in East St. Louis, Ill. Now, how, according to your understanding, would C. J. Rich know what horse and what race I was betting on?

Mr. VERMILLION. That I would not know.

Mr. BURLING. You are doing a very large business. Didn't it occur to you that there must be some way in which the horse and the race was designated in the accompanying message?

Mr. VERMILLION. Why, no, as a matter of fact, if he filed just a \$10 money order without a message in it, we would have no way of knowing what horse he was betting on; that would have to come to C. J. Rich by long-distance telephone or otherwise.

Mr. BURLING. It is your position, Mr. Vermillion, that the bet wasn't placed along with the money order?

Mr. VERMILLION. That the bet wasn't placed along with the money order?

Mr. BURLING. Yes.

Mr. VERMILLION. If he received a \$10 money order, we had no way of knowing whether that was a bet or what it was for.

Mr. BURLING. Well, I'm not saying that. You did, of course, know what it was for?

Mr. VERMILLION. Well, I didn't know what it was for, because I knew nothing about what his bet was going to be or what horse he might be betting on.

Mr. BURLING. No, but you knew it was for a horse bet?

Mr. VERMILLION. Yes.

Mr. BURLING. Already know that?

Mr. VERMILLION. I didn't say that at all, sir.

Mr. BURLING. Is it your position that no message would accompany the money order.

Mr. VERMILLION. That is exactly so. If that message originated in the State of Tennessee, there is a law in the State of Tennessee which prohibits the telegraph company from transmitting by money order containing the supplemental message on a wager and we would not accept that money order.

The CHAIRMAN. What would you do in that case if you didn't—

Mr. VERMILLION. Turn it back to the sender and refuse to accept it, Senator.

The CHAIRMAN. You find them here in practically every State of the union?

Mr. VERMILLION. That is right, but they wouldn't have a supplemental message in it. Might be a \$10 money order without any message which we would deliver. There is no State law—no violation of the State law in delivering the money order.

The CHAIRMAN. You mean that they just send the money without any instructions about what to do with it?

Mr. VERMILLION. That is right; that is correct.

The CHAIRMAN. You think they must have worked out some code so they would know the instructions between the agent and Mr. Rich?

Mr. VERMILLION. I presume that is so.

Mr. BURLING. In other words, you presume but do not know that you were transmitting bets into Illinois, where it is illegal?

Mr. VERMILLION. It isn't illegal in Illinois to transmit a money order or a message for that purpose.

Mr. BURLING. I am talking about placing a bet, Western Union was an accessory to the crime of placing a bet.

Mr. VERMILLION. That is a matter of opinion. I don't know. Our company has ruled that isn't so. I think it is under the tariff. You understand I don't make the policy of the company. I carry it out.

The CHAIRMAN. I know you don't make the policy. You are just telling about what it is. Mr. Vermillion, how much would C. J. Rich's bill be a month?

Mr. VERMILLION. With us?

The CHAIRMAN. Yes, take in a big month.

Mr. VERMILLION. C. J. Rich in St. Louis paid us in January 1950, \$824.48; February they paid us—

The CHAIRMAN. Let's take back some year before.

Mr. VERMILLION. I don't have those figures, Senator, because I only brought what was in the subpoena, this part of the figures, and that is the only figures.

The CHAIRMAN. Do you have it for any one year?

Mr. VERMILLION. No; I don't have a total year on it. I have January, February, March, April, May of last year.

The CHAIRMAN. Read them for those months.

Mr. VERMILLION. January is \$824.46; February was \$1,006.91; March was \$710.29; April, \$761.02; and May, \$1,327.66; and that is when he closed his business up.

The CHAIRMAN. But those weren't big years. They were big years back before—

Mr. VERMILLION. That was the largest months that he operated, I believe you will find that is the largest months he operated. Now, that is what he paid us in East St. Louis, Ill., account. You have the account outside of East St. Louis, Ill., in the State of, oh, Arkansas, Colorado, Illinois, Iowa, Minnesota, Michigan.

The CHAIRMAN. You mean he would have accounts there?

Mr. VERMILLION. Yes.

The CHAIRMAN. So that wherever these agents were he had an account, is that correct?

Mr. VERMILLION. Well, you speak of agents, you mean Western Union?

The CHAIRMAN. Wherever these—

Mr. VERMILLION. There is a difference of opinion, Senator, because those people were not in most instances agents of C. J. Rich & Co., because our investigation disclosed that and I think—

The CHAIRMAN. Wherever you had your agents doing business for him or taking the telegrams, he had an account?

Mr. VERMILLION. No; as a matter of fact, he had 168 accounts throughout the country and that list that you have there, where he opened accounts in our office and put up a deposit of \$25,000 with us to see that the accounts would be paid—

The CHAIRMAN. You have the total bills for any 1 month, say the month of January, all 168 accounts?

Mr. VERMILLION. All in January I give you the figures of out of St. Louis proper was \$13,787.28. Now, the St. Louis accounts, as I stated before, was \$824.48. Now, we'll take, if you would like to have May, which is usually the best month of C. J. Rich's account with us, I will give you the total amount for the month of May.

The CHAIRMAN. All right.

Mr. VERMILLION. If you will just be patient with me here a minute and let me get them.

In May he paid Western Union \$25,417.37.

The CHAIRMAN. Is that the total St. Louis and out-of-State accounts too?

Mr. VERMILLION. No; that does not include the St. Louis figure of \$1,527, which would make the total approximately \$26,700. Now, that is for money orders and messages. That has nothing to do with the amount of money that was wired to him for the so-called bets.

The CHAIRMAN. Mr. Vermillion, with that amount of business being done, did you kind of encourage the business because it meant more business for Western Union?

Mr. VERMILLION. Well, I had nothing to do—

The CHAIRMAN. Was it the policy of the company to encourage this type of transaction?

Mr. VERMILLION. Wasn't the policy of the company to encourage it, but the contrary, the company asked our managers to have absolutely nothing to do with this thing at all, except to accept it the same as we would anybody's messages or money orders and in fairness to management, I think Mr. Burling should complete the reading of the letter he started to read to Mr. Wyman, which only covered some of the bad things that was developed and not the instructions that's issued by the company.

Mr. BURLING. It's all in the record, matter of public record.

Mr. VERMILLION. It isn't for the newspapers, Mr. Burling.

The CHAIRMAN. If you think it has been done unfairly, we certainly will read the last paragraph.

Mr. VERMILLION. I think in all fairness the instructions that went out to our offices should be read, don't you?

Mr. BURLING. I will ask Mr. Robinson to find it while I read something else.

I have in my hand a sheaf of telegrams seized from Rich and I would think to anybody using reasonable imagination, looks like betting messages. Comes from Atlantic City, N. J., April 28, 1950: "Six CAU. C. J. Rich Co., East St. Louis, Ill. Sid Gersh \$3.00 win \$3.00 place St Louisian 7th Race Lincoln Downs." Signature "M-O-D."

April 28, 1950, C. J. Rich from Camden, N. J. "Ten CAU. C. J. Rich W. L. Dube Bet 5 Straight & 5 show on Jobie 5th at Suffolk."

And another one, April 28, these are all in one day, April 28, 1950, same initials it begins with, "Englehart bet \$10.00 win on Irish Wash." Same day, same address, "Englehart bet \$5.00 win \$5.00 place on Nullify."

The CHAIRMAN. They are all signed "M-O-D"?

Mr. VERMILLION. That is "money order department" for your information, Western Union.

Mr. BURLING. Here is one, "James W. Stewart ten win on Our John WM 6 at Jamaica." Here is another one—

The CHAIRMAN. That shows the point.

Mr. BURLING. I think I could say, Mr. Chairman, we can't put these in the record because they are part of the district attorney's record, but there are many like these.

The CHAIRMAN. Let some of them be copied in to show the pattern.

Mr. VERMILLION. Mr. Chairman, may I read from the instructions that reaches our field offices that was put out by our general offices, paragraph here that might clear up a few things in Mr. Burling's mind?

The CHAIRMAN. Yes, sir, but let me ask you first, is this the general way these things were handled?

Mr. VERMILLION. Yes, sir.

The CHAIRMAN. Sir?

Mr. VERMILLION. Yes, sir, from States where it was not a violation of the law.

Mr. BURLING. Isn't it a violation of the law in Illinois?

Mr. VERMILLION. No, sir; there's no violation of the law in the State of Illinois transmitting a money order containing a wager. That seems to be where you and I don't jibe. Now, look, let me read, if you don't mind.

Mr. BURLING. You will have plenty of time, but do you have or could you bring to us tomorrow any opinion of counsel saying it is not a violation of law to transmit a message into the State of Illinois, making a bet, accompanying that message with money?

Mr. VERMILLION. That is what I want to read into the record here, if you will permit me to do so, which is a statement of our legal department.

The CHAIRMAN. All right, sir, you can read it now.

Mr. VERMILLION. In the first place, these are excerpts from a letter from the general offices in New York:

With the exception covered in section 3, page 2 of tariff circular No. 4 on money orders, the company as a common carrier must accept and transmit money orders, since to decline to do so would be in violation of the Communication Act. On the other hand, it is a hard and fast rule of the company that employees must refrain from any and all activities which would place the company in a position of acting

in the special interest of any establishment handling transactions of the character mentioned above.

Now, I would like to read—

Mr. BURLING. That doesn't explain, at least to me, why it is not a violation of law to send a wager into a—

Mr. VERMILLION. May I finish, sir?

Mr. BURLING. I thought you had finished.

Mr. VERMILLION. In circular No. 1, Western Union Tariff Book No. 76, I quote rule changes:

Rules 3. Local State laws in the following States prohibit the acceptance or delivery of intrastate or interstate messages pertaining to the placing of wagers of any kind indicated: Alabama, Florida, Montana, New Jersey, Oklahoma, Texas. If through oversight a message, the text of which indicates that it is for the purpose of placing a wager of the kinds described is accepted for transmission from or to one of the above-named States, the destination office should not deliver the message but should report it undelivered by service message, stating, for example, "Messages for purpose of placing wagers prohibited by (name of State) law, and the charges on the messages in question should be canceled or refunded."

Money order rule changes section 3, 31A.

Local State laws in the following States prohibit the acceptance or delivery of intrastate or interstate telegraph money orders for the purpose of placing wagers of the kinds indicated: Alabama, California, Connecticut, Delaware, Florida, Idaho, Maryland, Mississippi, Missouri, Montana, New Jersey, New York, Oklahoma, Pennsylvania, Rhode Island, South Carolina, Tennessee, Texas, Utah, Virginia, Washington, Wisconsin. If through an oversight a money order containing a supplementary message which indicates that it is for the purpose of placing a wager of the kinds described is accepted for transmission from or to one of the above named States, the destination office should not make payment of the order but should cancel and report it undelivered by service message, stating, for example, "Money orders containing supplemental messages for the purpose of placing wagers prohibited by (name of State) law, and the money order charges and the telegraph tolls on the money order in question should be canceled or refunded."

The date of that tariff—this is a recent correction, February 1, 1951, which New Jersey was the only one added to it.

Mr. BURLING. All right. Now, Mr. Chairman, I would like to read into the record prior to asking the witness about it, a telegram coming also from the files of Rich & Co., which are now in the State attorney's hands. "Collect Centralia, Mo." What does M-O indicate? Centralia M-O.

Mr. VERMILLION. Centralia, Missouri.

Mr. BURLING. "C. J. Rich & Co., East St. Louis Ill 20 to win Magnolia; 10 to 1 Istan; 6 to 1 Melhash; 1 to 1 Jack; S L 1 to 1; 6 to 1 on Chance." Then I note that there are the pencil notations under it, "\$20.00" in handwriting, "\$20.00, \$166.00, \$50.00 and \$58.00."

Now, as I understand your tariff, it prohibited the sending of messages either to or from Missouri, messages of this character?

Mr. VERMILLION. That may be—

Mr. BURLING. Be a mistake?

Mr. VERMILLION. That got past us. Occasionally they do, when you handle five or six hundred messages a day, occasionally they got by. I think that was in 1948, wasn't it?

Mr. BURLING. July 10, yes; July 10, 1948. When did you say New Jersey was added to the list?

Mr. VERMILLION. Last year, after the indictment of C. J. Rich.

Mr. BURLING. Mr. Chairman, I want to read into the record another wire, another letter. It appears on the letterhead of the Western Union Telegraph Co.

MANAGER'S OFFICE,  
Waterville, Maine. August 23, 1948.

C. J. RICH & CO.,  
Box 1346, St. Louis, Mo.

GENTLEMEN: From your wires to several prospective clients I assume that you are anxious to open accounts here in this vicinity. I believe that possibly I could develop some business for you in Waterville and surrounding towns and wonder that if this were possible, just what kind of a proposition you could offer. Please write me, telling me what you could offer in the way of commission for new business developed upon my own time and what you might possibly do in the line of supplying three or four customers we would start with, in supplying the Daily Racing Form. Thanking you for your information,

Very sincerely yours,

ROBERT L. GOODE.

The CHAIRMAN. All right. Mr. Robinson, did you find the latter part there that Mr. Vermillion thought we should read?

Mr. ROBINSON. I have the entire letter here and the portion read by Mr. Burling.

Mr. BURLING. Mr. Chairman, why don't we hand the exhibit to the witness?

The CHAIRMAN. That is right. You read what you want to, Mr. Vermillion. Is it the last paragraph you felt should have been read?

Mr. VERMILLION. If that is the letter I think it is, Senator, I have never seen this letter before.

The CHAIRMAN. That is not the letter you were referring to?

Mr. VERMILLION. I have never seen this letter.

Mr. BURLING. There are exhibits attached to it. Maybe the witness is referring to something in one of them.

The CHAIRMAN. I do not see anything here, but anything you want us to read, you look it up, we will read it.

Mr. VERMILLION. I just wanted to clear up one thought that I thought was left, management had not been trying to stop this thing. As a matter of fact, we have tried to stop it and we have even gone to the betting commissioners themselves. As a matter of fact, when they did not stop it we canceled all their charge accounts out and told them we would not handle any charge account business for them unless they did.

Mr. BURLING. When did you cancel C. J. Rich's charge account?

Mr. VERMILLION. Just about—

The CHAIRMAN. Well, in June 1950, you said.

Mr. VERMILLION. Yes, I believe that is when he folded, when we—

The CHAIRMAN. I notice here, this exhibit which shows how operation X takes place, and down at the bottom says, "Our odds are the best in the country; no transaction too large, none too small." It is rather prominently displayed here: "Western Union has a part in it. All Western Union wires and money orders must be addressed to C. J. Rich & Co., East St. Louis, Ill., or all correspondence and checks must be mailed to C. J. Rich & Co., Box 1346, St. Louis, Mo."

Mr. VERMILLION. Senator, the reason for that, I think—I have never seen that.

The CHAIRMAN. It must have been, with these getting to all of your agents that you could have known something about it.

Mr. VERMILLION. I have never seen that, but that goes along in line with what I said about we would not pay the money orders in the State of Missouri, and that is why he has evidently put that out, to wire his money to East St. Louis, Ill. I have never seen one of those folders.

The CHAIRMAN. Now, Mr. Vermillion, do you have any idea how much of this was horses, and how much was basketball, football, fights, and elections?

Mr. VERMILLION. I have no idea, Senator Kefauver.

The CHAIRMAN. Part of the advertisement of operation X here is not limited to racing: "We do not restrict our transactions solely to racing. We would gladly handle wagers on all other sporting events, including baseball, football, fights and elections. We invite your correspondence, and so forth." Here, for instance, is a telegram from Newark, N. J.: "4 (4) even, Rich & Co., F. M., Savino, Frankie 2-0-2." That is a prize fight; isn't it?

Mr. VERMILLION. I would not know, Senator. I never bet on a prize fight or a horse race in my life. I would not know anything about it.

The CHAIRMAN. Well, you do know, for instance, in basketball, we have been hearing so much about, that all these people handle basketball transactions and many of them handle them through Western Union; is that correct?

Mr. VERMILLION. I do not know that they do. I do not know what those money orders, whether they are horses or whether they are basketball, or what they are.

The CHAIRMAN. Have you had any conferences with Mr. Carroll and Rich & Wyman and others as to how these matters would be handled?

Mr. VERMILLION. No, sir. The only thing I did was call in Mr. Wyman and Mr. Rich when this thing broke out on St. Charles Rock Road, because we did not know that they were operating in Missouri at all. They were picking up their money orders and messages in East St. Louis, Ill. I asked them to come in because I had followed the investigation out to the county court, and told them that this thing we wanted to know, where he had been paying off or making contributions or gratuities to our people—and I had the list there and I questioned him about it—and he said: "Oh, just occasionally did we leave a bottle of perfume on the counter, or a \$10 bill," and that sort of thing. So, I did not get very far with the investigation.

The CHAIRMAN. Who would have the conferences with reference to the \$25,000 deposit?

Mr. VERMILLION. That I made him put up!

The CHAIRMAN. You would go over with him ever so often, see how much business they were doing, how many new cities they were going to do business in, and see about the size of the deposit?

Mr. VERMILLION. Senator, I had my accounting department put on my desk at the end of every month the amount of their bills because I wanted to know what they were running, and protect us against any loss.

The CHAIRMAN. All right. Let's get on to something else.

Mr. BURLING. Isn't it the fact that when the branch office billed C. J. Rich, they came in "C. J. Rich, care of Vermillion"?

Mr. VERMILLION. That is correct, because we asked our offices around the country to send them to me so we could have control on it. These

came to my office. Everything in my office comes addressed to H. E. Vermillion, to go to the accounting department or office manager, somebody delegated authority to handle this account.

The CHAIRMAN. That is an important matter. I think we ought to get that clear. In Chattanooga, to get back to Tennessee, for instance, Rich had an account there and when the account needed to be paid or replenished the branch office in Chattanooga would send the bill to C. J. Rich in care of you.

Mr. VERMILLION. That is right.

The CHAIRMAN. I can't understand that.

Mr. VERMILLION. Well, that is because we asked them to send all of Rich's bills to the Western Union in St. Louis, where we total them up, and had a control on them. It happens to be the superintendent's name is Harry E. Vermillion, and all correspondence addressed to our offices, is addressed to the superintendent.

The CHAIRMAN. Do you have any other people that do business with you that way; that send their bills in care of Western Union here?

Mr. VERMILLION. We do all Mooney's bills, sent to us. They did not all come in addressed.

Mr. BURLING. Is that James Carroll's partner?

Mr. VERMILLION. As far as I know; yes, sir.

The CHAIRMAN. Let's get on with Mr. Carroll.

Mr. BURLING. Mr. Vermillion directly anticipated the next topic.

Did you make a check of what the bills of either Carroll or Mooney were?

Mr. VERMILLION. I have the St. Louis bills, as you called my office yesterday and asked for them for the year 1950.

Mr. BURLING. That is very kind of you. Would you read off the total?

Mr. VERMILLION. The total for the year?

Mr. BURLING. What is the total for 1950?

Mr. VERMILLION. The total for 1950, for money orders and messages, was \$77,749.62, which included 25-percent Federal tax.

Mr. BURLING. That is money paid to Western Union?

Mr. VERMILLION. That is our total.

Mr. BURLING. It is not money sent for transmission. Do you have the figure—I am not sure we asked for it—but do you by chance have the figure of how much was transmitted to either Carroll or Mooney in 1950?

Mr. VERMILLION. Yes. I have anticipated that you might want that, because the information you left in my office indicated all the information you wanted was on Mooney's account of Carroll, and we had previously submitted to Mr. White, or Mr. McCormick up to July, I believe last year, and I ran the totals off for the year, the total year 1950, which we received and paid to Mooney, and which he sent back. Now, I did not happen to total these up, but I have them by the month.

Mr. BURLING. Well, read off, look, just glance and read off some large months; will you please?

Mr. VERMILLION. Well, May seems to be the largest month, in which we paid to Mooney \$346,020.

Mr. BURLING. In one month?

Mr. VERMILLION. In one month, and he wired back \$274,186. Now, that does not include the tolls he paid us. That is just the principal.

Mr. BURLING. The bets.

Mr. VERMILLION. That is right.

Mr. BURLING. The bets and the wins. Go right ahead, please.

Mr. VERMILLION. Now, the smallest month was December.

Mr. BURLING. Would you give us the bets and the wins handled by Western Union in May again?

Mr. VERMILLION. In May we paid to Mooney \$346,020, and he wired back \$274,186.

Mr. BURLING. Will you wait, just a second? That would appear then, assuming that the transactions came and went by Western Union, out of \$346,020 that came in, a net of \$71,834 stayed in. I think, Mr. Chairman, that is significant.

Mr. VERMILLION. Let me clarify that statement, Mr. Burling, because that does not include the amount of money that he sent to his track representatives, because I have no way of knowing that, because he would send that as an individual money order; and we had quite a time, I mean, the Internal Revenue Bureau checking those figures. It took us 6 or 7 months.

Mr. BURLING. By track lay-off, you mean a come-back man?

Mr. VERMILLION. I don't know what you call them. I heard them called track representatives.

Mr. BURLING. I think the common parlance is come-back man.

The CHAIRMAN. Of course, that would not include the amount of money the come-back man might win?

Mr. VERMILLION. No. I have no knowledge of that. I could not give you figures on that.

The CHAIRMAN. All right. Let's get on.

Mr. BURLING. Will you give us a couple more months?

Mr. VERMILLION. Now, in the month of December, last year, \$192,732 received here; sent back \$176,202.

Mr. BURLING. That is December 1950?

Mr. VERMILLION. That is correct.

Mr. BURLING. Did Mr. Mooney in that month have a charge account with you?

Mr. VERMILLION. Only a local account.

Mr. BURLING. But he did have a local account?

Mr. VERMILLION. That is correct.

Mr. BURLING. Your moral indignation about bookmakers did not include canceling his charge account?

Mr. VERMILLION. We canceled everywhere except St. Louis.

Mr. BURLING. You were doing an in-and-out business of nearly \$400,000 a month: so you did not see fit to cancel in St. Louis?

Mr. VERMILLION. Well, he paid us \$5,022.89 for that.

Mr. BURLING. For engaging in illegal activities?

The CHAIRMAN. We will draw our conclusions.

Mr. VERMILLION. Well, you will draw your own conclusions on that.

Mr. BURLING. And would it be fair to say that since you have been—by the way, do you know if Mr. Mooney did a similar business in January of this year?

Mr. VERMILLION. Yes, but it was very light. He closed up, I believe, last week sometime; at least we started canceling his money

orders and sending them back. As far as I know, there is none of them operating now.

Mr. BURLING. You are not aware of any bookmaker operating through Western Union?

Mr. VERMILLION. No, sir.

Mr. BURLING. At the present time?

Mr. VERMILLION. No, sir.

The CHAIRMAN. What do you do when Mr. Mooney changes his address from one place to another?

Mr. VERMILLION. Senator, as far as I know, he has never changed his address.

The CHAIRMAN. He has always had the same address, as far as you know?

Mr. VERMILLION. Yes, sir. We delivered the messages, or were, up until the time he quit business, at the same address.

The CHAIRMAN. Well, do you still deliver bills to East St. Louis?

Mr. VERMILLION. We mail them to 3 something here—318A Missouri Avenue, East St. Louis, is where we send the bills, the last bills we sent.

The CHAIRMAN. You haven't been sending them to him here in St. Louis?

Mr. VERMILLION. Not as far as I know, we haven't; no, sir.

Mr. BURLING. I believe Mr. Robinson has a question.

Mr. ROBINSON. Did you have any business with another operation of Mr. Carroll's located in St. Louis proper?

Mr. VERMILLION. No, sir.

Mr. ROBINSON. The only operation that Carroll or Mooney would figure in was East St. Louis?

Mr. VERMILLION. I did not even know Mr. Carroll was in on this thing until sometime last year when I was informed, I think by George White. As far as I know, our records have always been under the name of John Mooney. We have done business with John Mooney except, as I say, last year was the first time we canceled out charge accounts because they became bulky and could not get a control on them, and we asked them to pay for their own money orders, pay for the tolls on their own money orders, and make their deals with their own employees—I mean, their own customers—because we thought in that way we would get them away from dealing with our people.

The CHAIRMAN. Very well. Let's pass on to something else.

Mr. BURLING. Do you know a man named William Molasky?

Mr. VERMILLION. Yes, sir.

Mr. BURLING. And I believe you personally collect his proxies on which he votes his Western Union stock.

Mr. VERMILLION. Twice in the 2 years I have been here he called me and asked me if I would pick up his proxies, and that is the way it was done. I sent a messenger out one time to get them. I went out one time to get them.

Mr. BURLING. When you went out, where did you go?

Mr. VERMILLION. Mr. Molasky's office.

Mr. BURLING. Just tell me where Mr. Molasky's office is.

Mr. VERMILLION. I believe it is in the 2400 block on Locust. I am not positive about that. I have only been out there once, Senator, and I made a trip out there. He called me and asked me if I would pick

it up. I picked it up from the girl at the switchboard. I believe it is the 2400 block on Locust.

Mr. BURLING. You know Mr. Molasky's business; do you not?

Mr. VERMILLION. I know he is the publisher of a scratch sheet.

Mr. BURLING. He is also a very large customer of Western Union, or at least a company in which he has 35 percent interest.

Mr. VERMILLION. That I did not know until I read it in the papers last year.

Mr. BURLING. You did not know Mr. Molasky was in Pioneer News?

Mr. VERMILLION. I did not know a thing about Mr. Molasky being in Pioneer News until I read it in the newspaper last year, so help me.

The CHAIRMAN. Did you collect the proxies for the other members of the family, too?

Mr. VERMILLION. Yes. They were all in an envelope addressed to me, and I sent them on into the New York office.

The CHAIRMAN. Did the New York office ask you to collect them?

Mr. VERMILLION. I do not believe they did. No; I do not recall them asking me.

The CHAIRMAN. They are the largest individual stockholders; aren't they?

Mr. VERMILLION. That I do not know, Senator. I know he is a large stockholder.

The CHAIRMAN. All right.

Mr. ROBINSON. Did the Pioneer News Service operate facilities furnished by Western Union?

Mr. VERMILLION. Yes, sir.

Mr. ROBINSON. In the form of 8-A tickers?

Mr. VERMILLION. Correct.

Mr. ROBINSON. Were those tickers for the most part confined to the East St. Louis area?

Mr. VERMILLION. Yes, sir.

Mr. ROBINSON. And there were possibly two in the metropolitan area of St. Louis?

Mr. VERMILLION. As far as I know there were never any in the metropolitan, since I have been here, except on one occasion, when my office installed a ticker for him. I do not remember now where it was, but in St. Louis County, and General Taylor had his representative, Mr. O'Keefe, had called on me and asked for a list of all the subscribers, of all the customers in St. Louis, including all the railroads and trucking companies, and that sort of thing, and I investigated at the time and found that they had—the ticker had been installed for a couple of days, and I called Mr. Brown and told him that I had instructions from General Taylor's representative that there would be no installation of tickers in the State of Missouri and, therefore, I was pulling the ticker out, and he consented to take the ticker out. I can't tell you where that ticker was installed because I do not have that record. As far as I know there was only one that I can recall.

Mr. ROBINSON. Are there any 8-A ticker facilities available for the dissemination of race information at the present time?

Mr. VERMILLION. No sir. We had a request from the attorney general of the State of Illinois to discontinue the service, that I received 10:30 a. m., July 13, and the request was addressed to me at

St. Louis dated July 10 but I did not receive it until 10:30 a. m. July 13, and at 4 o'clock that afternoon we cut off all the services in the State of Illinois, all the services, as a matter of fact that is all the service he had was in the State of Illinois, some 27 8-A ticker subscribers over there, and our attorneys in East St. Louis, I called our attorney in East St. Louis, and asked him if he would notify the attorney general of the State of Illinois we were cutting them off at 4:30 in the afternoon, complying with his request; that they were being used in violation of law. They were discontinued.

The CHAIRMAN. All right. Thank you, Mr. Vermillion.

Has Mr. Rich arrived?

(An answer in the affirmative. C. J. Rich approached the witness chair, accompanied by Morris A. Shenker, an attorney at law, St. Louis, Mo.)

**TESTIMONY OF C. J. RICH, ST. LOUIS, MO., ACCCOMPANIED BY  
MORRIS SHENKER, ATTORNEY, ST. LOUIS, MO.**

The CHAIRMAN. Hold up your hand, Mr. Rich.

You solemnly swear that the testimony you give this committee will be the whole truth, and nothing but the truth, so help you God?

Mr. RICH. I do.

The CHAIRMAN. Sit down over there, Mr. Rich.

Now, Mr. Rich, if you are really sick we do not want to cause you any trouble. We had understood that people have seen you walking around, you seemed to be in very good health, but we will try to make it short and snappy.

Mr. RICH. I will appreciate that.

The CHAIRMAN. Are you really feeling ill?

Mr. RICH. At present I am.

The CHAIRMAN. Well, we think if you would be able to get out and be around seeing about business, you ought to be able to testify.

Mr. RICH. I haven't been active.

The CHAIRMAN. All right.

Mr. SHENKER. May we, before we proceed, Mr. Chairman, if you please, offer the same objections to the same matters and the same exhibits and the same contentions that were offered and introduced and dictated into the record in the case of Sidney Wyman?

The CHAIRMAN. Very well.

Mr. SHENKER. To save time.

The CHAIRMAN. Yes; just the same ones that you made for Mr. Wyman.

Mr. SHENKER. That is right—the same contentions. The people in the courtroom are still substantially the same, and the same conditions exist.

The CHAIRMAN. Not quite as many here, I don't believe.

Mr. SHENKER. The pertinent ones, Mr. Chairman.

The CHAIRMAN. Now, we have been over this pretty well with Mr. Wyman and with Mr. Vermillion, and it is operation X we are talking about, so go ahead, Mr. Burling.

Mr. BURLING. Where were you born, Mr. Rich?

Mr. RICH. Russia, sir.

Mr. BURLING. Whereabouts?

Mr. RICH. I really could not say, Kniev was all I recall.

Mr. BURLING. Kiev?

Mr. RICH. No; Kiev, I think.

Mr. BURLING. Well, when did you come to the United States?

Mr. RICH. 1912, I think.

Mr. BURLING. What name did you give when you entered?

Mr. RICH. I do not recall.

Mr. BURLING. Well, at any rate, it was not Rich?

Mr. RICH. It was not?

Mr. BURLING. I say, you do not recall what name?

Mr. RICH. What name I gave?

Mr. BURLING. Yes.

Mr. RICH. I was 7 years old.

Mr. BURLING. Well, what was your father's name, then?

Mr. RICH. Rich.

Mr. BURLING. Rich?

Mr. RICH. Yes.

Mr. BURLING. That was his name when he was born?

Mr. RICH. In Russia?

Mr. BURLING. Yes.

Mr. RICH. Well, his name in Russia was Reich, I think.

Mr. BURLING. Will you spell that?

Mr. RICH. R-e-i-c-h. When he came here, in Jewish it is Rich, R-i-c-h; I mean in English it is Rich, R-i-c-h.

Mr. BURLING. Have you ever been naturalized?

Mr. RICH. No, sir.

Mr. BURLING. How old are you?

Mr. RICH. Forty-six.

Mr. BURLING. You have never seen fit to try to take out American citizenship?

Mr. RICH. Yes, sir; I have applied many a time.

Mr. BURLING. Unsuccessful, or just let the papers lapse?

Mr. RICH. Unsuccessfully.

The CHAIRMAN. What is the trouble; what do they turn you down on?

Mr. RICH. On account of the business I participate in.

The CHAIRMAN. All right. Let's get on with the business.

Mr. BURLING. Mr. Rich, when were you last in any business?

Mr. RICH. When I was last?

Mr. BURLING. Yes.

Mr. RICH. Oh, I don't exactly understand the question—when I was exactly.

Mr. BURLING. Are you in business today?

Mr. RICH. No, sir.

Mr. BURLING. When were you last in business?

Mr. RICH. In June, I think it was.

Mr. BURLING. June of 1950?

Mr. RICH. June of 1950; yes sir.

Mr. BURLING. You stopped when you were raided?

Mr. RICH. Yes, sir.

Mr. BURLING. Are you willing to tell us what business you were in before you were raided?

Mr. SHENKER. We will raise the same objection that we——

Mr. BURLING. Counsel, I want to warn you that that objection, if it is valid at all, which I think it is not, is certainly valid only if made by the witness.

Are you willing to tell us what that business was, Mr. Rich?

Mr. RICH. I refuse on the ground it may incriminate me.

Mr. BURLING. Were you ever in legitimate business, and if so, what was it, and when were you in it?

Mr. RICH. Oh, about 5 or 6 years ago in the hatchery business.

Mr. BURLING. Is that on a farm you had?

Mr. RICH. Hatchery, sir.

Mr. BURLING. What was the Melba Book Co.?

Mr. RICH. I do not know anything about that, sir.

Mr. BURLING. Never heard of it?

Mr. RICH. I have heard of it in the newspaper.

The CHAIRMAN. Did you have anything to do with the Melba Book Co.?

Mr. RICH. No, sir.

Mr. BURLING. Now, do you recall that in 1949 you had an account in the Delmar Bank?

Mr. RICH. Yes, sir.

Mr. BURLING. And you drew \$100,000 out of that and deposited it in the Mercantile Commerce Bank, is that right, in a savings account?

Mr. RICH. No, sir; that is not right.

Mr. BURLING. What did you do with the \$100,000?

Mr. RICH. I deposited it in the Mississippi Valley Trust Co.

Mr. BURLING. I see. And then you withdrew the sum of \$100,000 by obtaining cashiers' checks in the sum of ten, twenty-five, and sixty-five thousand dollars, is that correct?

Mr. RICH. That is correct.

Mr. BURLING. And the \$10,000 and the \$25,000 went into your personal account; is that correct?

The CHAIRMAN. Well, do you know whether that is right or not?

Mr. RICH. I could not say for sure.

Mr. BURLING. Well, the \$65,000 went into the Flamingo at Las Vegas; did it not?

Mr. RICH. No, sir.

Mr. BURLING. You were negotiating to buy a piece of the Flamingo; weren't you?

Mr. RICH. At the time I was in Las Vegas, there was, I think, a deal on for the Flamingo, and at the time I—

Mr. BURLING. Go ahead and tell us about your negotiations to invest in the Flamingo at Las Vegas.

Mr. RICH. At the time I was in Las Vegas there was a deal on for the Flamingo.

Mr. BURLING. A deal with whom; be a little more specific, will you?

Mr. RICH. I guess with the people that were—that owned the Flamingo at present.

Mr. BURLING. Who were they?

Mr. RICH. I do not know any of them.

Mr. BURLING. Well, whom were you negotiating with?

Mr. RICH. Whom I was negotiating with?

Mr. BURLING. That is the question.

Mr. RICH. I was not negotiating with anyone. There was just the rumor out that the Flamingo was going to be for sale, and I made comment that I would like to make a small investment in it.

Mr. BURLING. You went so far as to get a cashier's check for \$65,000; didn't you?

Mr. RICH. No, sir.

Mr. BURLING. What did you do with that \$65,000?

Mr. RICH. To the best of my ability, sir, I do not recollect at present.

The CHAIRMAN. Oh, Mr. Rich, you know what you did; if you got a cashier's check for \$65,000, that is a lot of money; did you take it out to Nevada with you?

Mr. RICH. No, sir.

The CHAIRMAN. You did not?

Mr. RICH. No, sir.

The CHAIRMAN. Well, what did you do about getting a part of the Flamingo out in Nevada?

Mr. RICH. I didn't do anything. I just could not handle it.

The CHAIRMAN. Well, did you talk to somebody about it? You said you would like to have a part of it. Who did you talk with about it? Did you talk with Meyer Lansky?

Mr. RICH. No, sir; I don't know him.

The CHAIRMAN. Did you talk with Moe Sedway? You know Moe Sedway; don't you?

Mr. RICH. No, sir.

The CHAIRMAN. Did you know Mr. Rosen out there?

Mr. RICH. I have heard of him. I have heard of him. I don't know him.

The CHAIRMAN. Did you go out to the Flamingo and stay there a while?

Mr. RICH. If I lived there?

The CHAIRMAN. Didn't you visit there, didn't you stay at the Flamingo?

Mr. RICH. Yes; I visited.

The CHAIRMAN. When was that, last year, this year?

Mr. RICH. This year, 1950, about January 20.

The CHAIRMAN. 1951?

Mr. RICH. 1951; yes, sir.

The CHAIRMAN. And when you went out there you expected to buy a part of it, didn't you?

Mr. RICH. No, sir.

The CHAIRMAN. Did you decide you wanted to after you got there?

Mr. RICH. When I heard about the deal; yes, sir.

The CHAIRMAN. Then who did you talk with about it?

Mr. RICH. Who?

The CHAIRMAN. Who did you talk with about the deal out at the Flamingo in Las Vegas?

Mr. RICH. Mr. Wyman.

The CHAIRMAN. Mr. Wyman?

Mr. RICH. Yes.

The CHAIRMAN. Was he there with you?

Mr. RICH. Yes, sir.

The CHAIRMAN. Then who did you talk with, who was connected with the Flamingo Hotel, about it?

Mr. RICH. No one whatsoever.

The CHAIRMAN. That is awfully sort of confused. You wanted to get in on the deal, you heard about it, you got \$65,000 out of the bank,

and you did not talk with anybody connected with the Flamingo. Who did you hear about it from?

Mr. RICH. Just general talk in town.

The CHAIRMAN. What made you think it was a good investment?

Mr. RICH. Well, I just inquired.

The CHAIRMAN. Who did you inquire of?

Mr. RICH. General conversation around the hotel.

The CHAIRMAN. Mr. Rich, you ought to know who you talked with; after all, it is legal, there isn't anything wrong, legally, with investing in the Flamingo out at Las Vegas. Who told you that it was a good deal?

Mr. RICH. I do not even know his last name, a party by the name of Jake. I met him out there the first time when I made the trip.

Mr. BURLING. What was the date of this trip?

The CHAIRMAN. January, 1951.

Mr. BURLING. I think this is an earlier trip.

The CHAIRMAN. Is that when you talked with Jake?

Mr. RICH. That is the only trip I have made, sir.

Mr. BURLING. You have only been in Las Vegas once?

Mr. RICH. Once in my life.

The CHAIRMAN. Did you examine the books of the Flamingo?

Mr. RICH. No, sir.

The CHAIRMAN. Did you talk with Jake about how much the casino made and how much the hotel made?

Mr. RICH. Not too much. We just spoke generally and he told me that in his opinion he thought it was a good investment.

The CHAIRMAN. How come you didn't make it?

Mr. RICH. It was too much for me to handle. I just wanted a small piece, and even with the small piece it amounted to more than I could afford.

The CHAIRMAN. How much did they want for a small piece?

Mr. RICH. At that time I think it was, for 5 percent I think it was \$75,000.

The CHAIRMAN. And you got \$60,000 or \$65,000 out there, didn't you?

Mr. RICH. No, sir.

The CHAIRMAN. What did you do with that cashier's check you got for \$60,000 or \$65,000? Well, you got either a cashier's check or cash for that much. What did you do with that?

Now, Mr. Rich, prior to the time you were in C. J. Rich, what business were you in then? Were you in any similar business, call it operation X?

Mr. RICH. Yes, sir.

The CHAIRMAN. You have been in that sort of business most all the time?

Mr. RICH. Yes, sir.

The CHAIRMAN. Most all of your life, the same type of business or you operated it differently?

Mr. RICH. Not the wire business, sir.

The CHAIRMAN. How long have you been in the Western Union business, where you operate with Western Union?

Mr. RICH. I think in all about 3 years.

The CHAIRMAN. Then how did you operate before, did you have some similar kind of operation X and do it some other way?

Mr. RICH. Yes, sir; Rich and Wyman.

The CHAIRMAN. How did you do it with Rich and Wyman, telephone, Western Union ticker, or correspondence?

Mr. RICH. Strictly, it was telephone.

The CHAIRMAN. Telephone. You never did get any service from the Pioneer News Service?

Mr. RICH. Yes, sir.

The CHAIRMAN. You did not have a ticker from them?

Mr. RICH. No, sir.

The CHAIRMAN. Just telephone. Did you fan out information to other people?

Mr. RICH. No, sir.

The CHAIRMAN. How long have you been in that sort of business; did you ever have any other kind of business that you devoted your time to?

Mr. RICH. Hatchery business; I intended to quit the business if the hatchery business ever went over, but it never was a success.

The CHAIRMAN. You were in the hatchery business about 5 years?

Mr. RICH. Right.

The CHAIRMAN. And before you were in the hatchery business you were in this same sort of operation X we are talking about here?

Mr. RICH. Yes, sir.

The CHAIRMAN. Always out of St. Louis or East St. Louis?

Mr. RICH. Yes, sir.

The CHAIRMAN. You never operated in any other city?

Mr. RICH. No, sir.

The CHAIRMAN. Now, I am interested to know how you conceived the idea of getting Western Union agents to join you in this operation X to the extent of where you sent Mr. Wyman and somebody else around to see them and made arrangements with them. Did you get up that idea?

Mr. RICH. No, sir.

The CHAIRMAN. Whose idea was that?

Mr. RICH. Mr. Fisher.

The CHAIRMAN. Mr. Fisher. He was one of your partners before you and Mr. Wyman bought him out, is that right?

Mr. RICH. Yes, sir.

The CHAIRMAN. And what was the calculation on using the Western Union, that is a rather new way to do it.

Mr. RICH. I did not understand that question, sir.

The CHAIRMAN. I mean, there are not many in the business where they use Western Union agents as the people who operate out in the field for operation X. I mean, you have Western Union agents who are available to do business and even solicit and distribute literature; whose idea of getting a Western Union agent to do that was it, yours or Mr. Fisher's?

Mr. RICH. Mr. Fisher's.

The CHAIRMAN. Did you talk with Western Union officials about it, Mr. Rich?

Mr. RICH. No, sir.

The CHAIRMAN. About how big was the biggest year you had with this operation X, Mr. Rich?

Mr. RICH. I do not understand the question, sir.

The CHAIRMAN. I mean, how much was the total turn-over of a year with operation X, how much money would come into you, your best estimate, I know it would be an estimate.

Mr. RICH. Oh, I would say our best year, the top year I imagine would run between 3½ and 4 million.

The CHAIRMAN. Now, by one method or another, are you in touch and know how to do business with fellows like Rosenbaum down in Cincinnati?

Mr. RICH. No, sir.

The CHAIRMAN. Dobkins in Chicago?

Mr. RICH. Who?

The CHAIRMAN. Dobkins.

Mr. RICH. Yes, sir.

The CHAIRMAN. Do you do business with him?

Mr. RICH. Yes, sir.

The CHAIRMAN. Do you do business with Frank Erickson, when he was in business?

Mr. RICH. No, sir.

The CHAIRMAN. How do you do business with Dobkins; can you tell us?

Mr. RICH. How do we do business?

The CHAIRMAN. Yes. How do you do business with Dobkins?

Mr. RICH. I generally give him business.

The CHAIRMAN. You mean lay-offs; I mean you get more in operation X than you want, so you send some of it up to him?

Mr. RICH. That is right.

The CHAIRMAN. Do you send any operation X to anybody else?

Mr. RICH. Yes, sir.

The CHAIRMAN. Who else do you send some to—places in Las Vegas, Erickson?

Mr. RICH. No, sir.

The CHAIRMAN. Well, who do you—Mooney?

Mr. RICH. Yes, sir.

The CHAIRMAN. You do a lot of business with him, don't you?

Mr. RICH. Yes, sir.

The CHAIRMAN. Now, do you have people at tracks, at race tracks to help you with operation X?

Mr. RICH. No, sir.

The CHAIRMAN. How many Western Union agents do you suppose you paid commissions to for getting business to do operation X?

Mr. RICH. There were very, very few, very few. We received many letters but we never entertained them at all—just very few, just to get started.

The CHAIRMAN. Well, most of them felt that it was worth their while because they were helping their company and also helping their record in the local office, is that the way it was?

Mr. RICH. Yes, sir. It was revenue for the office.

The CHAIRMAN. But this record indicates that wherever it was necessary for you to pay them a commission of the net profit from operation X that you would do so, 25 percent?

Mr. RICH. That was in very rare cases and very small amounts.

The CHAIRMAN. But you sent them all presents at Christmas time, or some?

Mr. RICH. That was done in very few exceptions.

The CHAIRMAN. How did you get a license to do business here in the city of St. Louis—how are you licensed?

Mr. RICH. We are not.

The CHAIRMAN. Well, you got C. J. Rich & Co., Box 1346, St. Louis, Mo. When the tax collector comes around, wants a license to do business, do you get a license?

Mr. RICH. No, sir.

The CHAIRMAN. Do you get a license over in East St. Louis?

Mr. RICH. No, sir.

The CHAIRMAN. Don't they have any privilege tax here for a broker of any kind?

Mr. RICH. I imagine they do.

The CHAIRMAN. But you never paid any?

Mr. RICH. I was never approached.

The CHAIRMAN. Never asked to pay any. Now, Mr. Rich, after you got out of business last June, after you got raided, you joined with your stepson, George Duckworth, in operating quite a hand-book business, didn't you, or quite an operation X?

Mr. RICH. No, sir.

The CHAIRMAN. Didn't you know he operated one? Didn't you know that he had an operation X by telephones?

Mr. RICH. Yes; I knew he was in business; yes, sir.

The CHAIRMAN. You financed him, didn't you?

Mr. RICH. No, sir.

The CHAIRMAN. To some extent? You just changed the way of doing operation X from Western Union to telephones, didn't you, and you did it locally, you started doing it locally then and you operated through your stepson, is that the fact of the case?

Well, your son-in-law got arrested last October in a raid at one of your operations at 911 Chestnut Street, didn't he?

Mr. RICH. Yes, sir.

The CHAIRMAN. That was your operation there, wasn't it, operation X?

Mr. RICH. No, sir.

The CHAIRMAN. Do you refuse to answer whether you were connected with operation X by your stepson, George Duckworth, or will you answer that question?

Mr. SHENKER. He did answer it.

The CHAIRMAN. I could not hear the answer.

Mr. SHENKER. Answer that, were you connected with that, was that yours or not?

Mr. RICH. No.

The CHAIRMAN. Not at all?

Mr. RICH. No, sir.

The CHAIRMAN. To no extent whatsoever?

Mr. RICH. No, sir.

The CHAIRMAN. You didn't loan him any money to go into business?

Mr. RICH. No, sir.

Mr. BURLING. In that event, Mr. Rich, why did you, when the question was put to you by the chairman a moment ago, sit staring at us for about 30 seconds and then say nothing, if the answer was "No," you did not put any money in it?

Mr. RICH. I was just thinking if I could stand on my constitutional rights on the question.

Mr. BURLING. You were thinking about whether you should stand on your constitutional rights, even though you had no part of it and put no money in it, is that right?

Mr. RICH. Yes, sir.

The CHAIRMAN. Now, we notice here, Mr. Rich, that you, beginning 1932, and on up to 1950, that you have been arrested from time to time, and there seemed to be no convictions here except one fine of \$10 and costs, gambling and vagrancy, 1932, gambling, vagrancy, 1936, 1939, keeping a common gaming house, you got a fine of \$10 and costs, on that, didn't you?

Mr. RICH. I really don't recall, sir.

The CHAIRMAN. 1943, setting up and keeping a common gaming house, was that dismissed?

Mr. RICH. 1943?

The CHAIRMAN. What does "DWE" mean?

Mr. SHENKER. Dismissed, want of evidence.

The CHAIRMAN. June 1950, fugitive from Cumberland County, N. J., charged with conspiracy—that is this recent difficulty?

Mr. RICH. Yes sir.

The CHAIRMAN. How many convictions have you ever had, Mr. Rich?

Mr. RICH. To the best of my ability, sir, none.

The CHAIRMAN. You never have served any time in any institution?

Mr. RICH. No, sir.

The CHAIRMAN. How many times have you been fined?

Mr. RICH. Outside of that \$10 one that you just mentioned, I do not recall any others.

The CHAIRMAN. When did you last apply for naturalization?

Mr. RICH. About 5 months ago.

The CHAIRMAN. And they turned you down on account of the business you were in, you say?

Mr. RICH. Yes, sir; I have been up numerous times and each time asked them if they—

The CHAIRMAN. Do you have some convictions that do not show on here that they turned you down for?

Mr. RICH. No, sir; none whatsoever.

The CHAIRMAN. Well, then, the situation is that you put the kind of business, you value the kind of business you are in higher than you do getting out of it so you can get to be an American citizen?

Mr. RICH. No, sir; I do not.

The CHAIRMAN. Then why don't you get out?

Mr. RICH. I will.

The CHAIRMAN. Do you think you are going to, now.

Mr. RICH. Yes, sir.

The CHAIRMAN. Anything else, Mr. Burling, Mr. Robinson?

Mr. BURLING. Well, now, Mr. Rich, we notice that in examining the work sheets for your personal income tax you have—

The CHAIRMAN. Made up by Max Cohn, is that correct?

Mr. RICH. Yes, sir.

Mr. BURLING. In 1945 you derived profits from Wayne Hatchery?

Mr. RICH. What is that, sir?

Mr. BURLING. In the year 1945 you did not engage in any operation X?

Mr. RICH. 1945; yes, sir.

Mr. BURLING. And that is covered by the notation, in the income tax, as security transactions, is it, or is it Wayne Hatchery, which one?

Mr. RICH. When?

Mr. BURLING. You show income in that year from security transactions, \$3,125, dividends and interest, \$1,663, Wayne Hatchery, \$10,978, adjusted gross income, \$15,766. When does operation X come in, which one of those items is it?

Mr. RICH. I did not—

Mr. BURLING. You do not disclose on your income tax where your income comes from, you pay it but you do not show it, is that right?

Mr. RICH. I would have to have my auditor clarify that.

Mr. BURLING. When you were doing business either as C. J. Rich & Co., or Rich & Wayman, would you keep records on operation X?

Mr. RICH. Yes, sir.

Mr. BURLING. Those records were kept? Where are they? They were not found at the time of the raid. That is the bookeeping entry showing what you got the money for.

Mr. SHENKER. That is all available, were made available to this committee.

The CHAIRMAN. There do not seem to be any notations here of any income from C. J. Rich & Co., but maybe there is.

Let me ask one other thing: How much of your business was baseball in operation X?

Mr. RICH. That is hard to say. I would not know, sir.

The CHAIRMAN. A sizable amount?

Mr. RICH. It is a sizable amount.

The CHAIRMAN. How is that handled, just as a matter of great interest. You are in touch with people all over the country and they get in touch with you through Western Union on operation X?

Mr. RICH. Yes, sir; they wire it in, sir.

The CHAIRMAN. Do you give Mr. Dobkins some of operation X on basketball, for instance?

Mr. RICH. No, sir.

The CHAIRMAN. Now, assume the reason for fixing basketball players to be that some of these people who might want to wager on games would want a sure thing to wager on, so they would get them fixed. Is there any way through the operation X that you can tell when a basketball bet is a good thing?

Mr. RICH. No, sir; I was never informed.

The CHAIRMAN. But there are people around who can inform you pretty well about it, aren't there?

Mr. RICH. Not that I know of. I have never been informed. We are always the loser.

The CHAIRMAN. You are always the loser, on all of operation X or just on basketball?

Mr. RICH. No; I mean on fixed affairs.

The CHAIRMAN. On fixing a price?

Mr. RICH. On fixed affairs.

The CHAIRMAN. What?

Mr. RICH. On fixed affairs; you are talking about fixed basketball games.

The CHAIRMAN. How do you mean you are always the loser?

Mr. RICH. Well, from operation X, we take the business.

The CHAIRMAN. You take the business and somebody else has the information, is that what you mean?

Mr. RICH. That is right.

The CHAIRMAN. And the way you have lost on basketball would indicate that there were fixes around generally in basketball games?

Mr. RICH. Well, we never encourage it; we never did like to handle basketball transactions.

The CHAIRMAN. Why didn't you ever like to handle them?

Mr. RICH. We did not know too much about them, and we did not—just did not know too much about them.

The CHAIRMAN. You always lost on them?

Mr. RICH. That is right, sir.

The CHAIRMAN. In other words, the general odds that would be fixed, that a fellow ought to be able to rely upon in operation X just would not work out that way in basketball?

Mr. RICH. No, sir.

The CHAIRMAN. Is that the situation? Has that been true over a long period of time?

Mr. RICH. Well, we haven't handled basketball transactions any just in the last couple years.

The CHAIRMAN. How big would some of these basketball transactions be when you did handle them?

Mr. RICH. Oh, we tried to hold them to a very small amount. It was just an accommodation.

The CHAIRMAN. But you kept all of them yourself and did not send them on to Dobkins or Mooney?

Mr. RICH. No, sir.

The CHAIRMAN. By the way, when you are transacting here with Mooney in the same vicinity, how would you do business with him?

Mr. RICH. Telephone.

The CHAIRMAN. By telephone?

Mr. RICH. Yes, sir.

The CHAIRMAN. Would you, to East St. Louis?

Mr. RICH. Yes, sir.

The CHAIRMAN. Your office was here in St. Louis and his office was in East St. Louis; you just called him up across the river and then you would balance your accounts ever so often, is that the way you would do business?

Mr. RICH. We would send checks nightly.

The CHAIRMAN. I mean, maybe once a month or once every 6 months you would check how much he done with you and how much he owed you and how much you owed him, and exchange checks?

Mr. RICH. No, sir; it was a nightly transaction.

The CHAIRMAN. A nightly transaction, send a check every day: he would do some business with you, he would give you some bets, some operation X?

Mr. RICH. No, sir.

The CHAIRMAN. You were always giving it to him. You said you did do some laying off of operation X. Did any people lay off with you on operation X, any of these fellows like Mooney or Dobkins?

Mr. RICH. If it was, it was very, very rare, very rare.

The CHAIRMAN. When you would lay off with Mooney or somebody what would be a big amount that you would lay off in operation X?

Mr. RICH. Oh, a thousand dollars would be about the average.

The CHAIRMAN. What would be a big figure that you might lay off that you can remember?

Mr. RICH. Well, \$2,000 would be a large amount.

The CHAIRMAN. You would do that by telephone?

Mr. RICH. Yes, sir.

The CHAIRMAN. All right. Anything else, gentlemen?

Mr. BURLING. I have nothing further.

The CHAIRMAN. Thank you, Mr. Rich. That is all.

Mr. RICH. Thank you.

Mr. SHENKER. May this witness be excused and go home?

The CHAIRMAN. He can be excused and go home.

(Witness excused.)

The CHAIRMAN. May I ask if Frank Wortman is here?

(No response.)

The CHAIRMAN. Or Ted Wortman?

(No response.)

The CHAIRMAN. Is Mr. Whalen here?

(No response.)

The CHAIRMAN. Is Mr. Molasky available here?

Mr. MOLASKY. Yes, sir.

The CHAIRMAN. Is William Brown here?

Mr. BROWN. Yes, sir.

The CHAIRMAN. Is George Frank here?

Is Mr. Frank here?

(No response.)

The CHAIRMAN. I believe Mr. Harrell is here.

Mr. HARRELL. Dallas Harrell; yes sir.

The CHAIRMAN. All right. And then some other sheriff or deputy sheriff I said we might get around to this afternoon, Gruenewald.

All right. Tonight we will endeavor to hear Sheriff Harrell, Mr. Molasky, Mr. Brown, and Mr. Frank. All other witnesses will be excused until 9:30 in the morning. We will meet at 9:30. The witnesses I have named will be here and I want to again announce, anyone having information as to the whereabouts of these people who are not available, will advise them that inasmuch as they have been subpoenaed, and there is also Gordon Foster and Gregory Moore who do not seem to have arrived—these witnesses who have been subpoenaed and notified when to come, if they are not here at this hearing the chairman of this subcommittee will certainly recommend as vigorously as possible that contempt proceedings be instituted against them. We are not going to put up with witnesses playing hot and cold, and fast and loose with this committee, and apparently just coming if they want to.

We stand in recess until 15 minutes of 8, that will be 2 hours from this time.

(Whereupon, at 5:45 p. m. a recess was taken until 7:45 p. m. of the same day.)

#### EVENING SESSION

The CHAIRMAN. We will vary our schedule of witnesses just a little bit. Mr. Nous, who represents the telephone company, is here, and I think we would like to hear his testimony now.

**TESTIMONY OF HENRY O. NOUS, SOUTHWESTERN BELL  
TELEPHONE CO.**

The CHAIRMAN. Do you solemnly swear the testimony you will give this committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. Nous. I do.

Mr. BURLING. Will you give us your full name?

Mr. Nous. Henry O. Nous.

Mr. BURLING. And by what firm are you employed?

Mr. Nous. Southwestern Bell Telephone Co.

Mr. BURLING. How long have you been so employed?

Mr. Nous. Twenty-eight years.

Mr. BURLING. What is your present position?

Mr. Nous. I am employed in the legal department.

Mr. BURLING. We have two separate topics we want to ask you about, Mr. Nous; first, I believe that one of the committee staff asked you to endeavor to check the bills of the Carroll-Mooney establishment in East St. Louis, isn't that correct?

Mr. Nous. That's right.

Mr. BURLING. Can you tell us what their bills were on a monthly basis or yearly basis in recent times?

Mr. Nous. I can give it to you both ways.

Mr. BURLING. Let's have it month by month starting as far back as you have got it.

Mr. Nous. There were four groups of billings out of the establishment at 318½ Missouri Avenue, East St. Louis.

Mr. BURLING. And that had the nominal name or pseudonym of the Maryland Book Shop?

Mr. Nous. No, these phones were operating in East St. Louis under the names of John Mason and J. Sullivan, Paul Maney and again Paul Maney.

Mr. BURLING. But they are all Carroll-Mooney phones?

Mr. Nous. I can only tell you they were operating in the same quarters, 318½ Missouri Avenue.

Mr. BURLING. How do you spell Paul Maney.

Mr. Nous. M-a-n-e-y.

Mr. BURLING. Now, how far back do you have the records?

Mr. Nous. I got them for the year 1950.

Mr. BURLING. Read them off, the months and then the phone bills, will you, please?

Mr. Nous. The phones in the name of John Mason: The January bill, \$5,601.27; the February bill, \$6,834.19; for March, the March bill, \$5,895.59; the April bill, \$5,873.87; the May bill, \$6,515.57; the June bill, \$7,699.31; the July bill, \$5,997.80; the August bill, \$3,806.96; the September bill, \$5,231.96; the October bill, \$5,993.67; the November bill, \$4,916.21; and the final bill, \$280.

Mr. BURLING. There was a big drop-off in December?

Mr. Nous. Well, we disconnected those phones at the request of the State's attorney of St. Clair County.

Mr. BURLING. I see. Now, do you have that totaled on an adding machine.

Mr. Nous. \$64,736.31.

Mr. BURLING. Can you tell us whether that's a relatively large telephone bill for any one number or set of numbers?

Mr. NOUS. Yes, it is.

Mr. BURLING. Is it the largest?

Mr. NOUS. Well, I have no way of knowing that, for I made no comparison.

Mr. BURLING. Well, in your experience in 28 years in the telephone company, do you know is that among the largest phone bills?

Mr. NOUS. Yes, I would say it is among the largest bills.

Mr. BURLING. No one at the Southwestern Bell Telephone Co. has any doubt about what those phones were being used for?

Mr. NOUS. I can only speak for myself.

Mr. BURLING. You weren't in any doubt?

Mr. NOUS. No.

Mr. BURLING. And no one ever came up to you and said: "Gee whiz, I wonder what those phones are being used for?"

Mr. NOUS. Yes; I have been approached.

Mr. BURLING. By people who expressed wonderment or doubt what they were being used for?

Mr. NOUS. No; not in our company.

Mr. BURLING. I say, no one in your Southwestern Bell Telephone Co. had any doubt about what that large telephone bill was being used for?

Mr. NOUS. I can only speak for myself—

Mr. BURLING. No one ever expressed doubt in your presence?

Mr. NOUS. I don't remember anyone discussing the bill with me, no one in the telephone company.

Mr. BURLING. Do you know of any other larger telephone bill?

Mr. NOUS. No; I haven't investigated to find out if there were.

Mr. BURLING. No; I am just asking you if you know—

Mr. NOUS. No; I don't know of any.

Mr. BURLING. That's one of four phones?

Mr. NOUS. Yes; four groups of phones.

Mr. BURLING. What is the annual total of the other three?

Mr. NOUS. It is comparatively small. There is an operation in the name of J. Sullivan that totaled \$3,481.57 for the entire year.

Mr. BURLING. That's No. 2?

Mr. NOUS. That's No. 2.

Mr. BURLING. Let's take No. 3.

Mr. NOUS. The other two groups were operated in the name of Paul Maney and that was all exchange service, by that I mean the annual bill for one group was \$292.96 and the other group was \$273.44.

Mr. BURLING. You said that was all exchange service?

Mr. NOUS. I mean the absence of long distance expenses.

Mr. BURLING. Oh. So the bill is the \$64,000—

Mr. NOUS. That's right.

Mr. BURLING. And do your records show how that was paid and how it was billed?

Mr. NOUS. Well, it was billed to John Mason; and how it was paid, we have no record of that.

Mr. BURLING. Well, do your records show who John Mason was or what kind of deposit was put up?

Mr. NOUS. Well, let's see if we have a deposit on that.

Mr. BURLING. Let me make myself clear; I have a phone bill in the neighborhood perhaps of \$10, \$15, in order to get that service I have to make a deposit. What kind of arrangement does the telephone company require with respect to a \$64,000 telephone bill?

Mr. Nous. We had a \$3,500 deposit.

Mr. BURLING. Made by whom?

Mr. Nous. By John Mason.

Mr. BURLING. Do you mean made in the name of John Mason?

Mr. Nous. In the name of John Mason.

Mr. BURLING. How was it made, do you know?

Mr. Nous. A receipt for \$3,500 was given to John Mason.

Mr. BURLING. We all know there is no John Mason, so how was it made, who deposited it?

Mr. Nous. Mr. Burling, as far as we knew, there was a person John Mason; now, whether he was fictitious or not, we do not know.

Mr. BURLING. Did you have a Dun & Bradstreet report on who Mr. Mason was?

Mr. Nous. I have no knowledge of running a Dun & Bradstreet report.

Mr. BURLING. Are you in the legal profession?

Mr. Nous. Yes, sir.

Mr. BURLING. A member of the bar?

Mr. Nous. Yes, sir.

Mr. BURLING. Can you explain what investigation, if any, the telephone company made before it entered into a \$65,000-a-year credit for John Mason, who, in fact, does not exist?

Mr. Nous. These telephones were in operation in St. Louis many years ago. When I say "many" I mean 8 or 10.

Mr. BURLING. You mean this Carroll-Mooney outfit has been going on since before your time, is that your position?

Mr. Nous. Oh, yes.

Mr. BURLING. And you don't know how it originated?

Mr. Nous. No; I couldn't tell you the entire history of those phones.

Mr. BURLING. Well, John Mason is an alias, now don't you know who the man is who used the alias "John Mason"?

Mr. Nous. Do I, personally?

Mr. BURLING. Yes; don't you know?

Mr. Nous. Yes; I know who he is.

Mr. BURLING. Please tell us then, let's stop fooling around.

Mr. Nous. I think his name is Russell McBurney.

Mr. BURLING. So do I; and he is employed by John Carroll, isn't he?

Mr. Nous. That's my understanding.

Mr. BURLING. And that's the general understanding of the Southwestern Bell Telephone Co., isn't it?

Mr. Nous. We didn't have that at the time these phones were installed for John Mason, I learned that subsequently.

Mr. BURLING. It seems to be extraordinary you would carry the largest account you can think of, that the whole telephone company had, without knowing who the principal is, can you explain that, sir?

Mr. Nous. Mr. Burling, had we had any difficulty with this account, we would have had occasion to run a credit report on it; we had no difficulty with it; furthermore, in 1945 we made an attempt to disconnect these phones and we—

Mr. BURLING. May I interrupt? Why did you do that? Because you knew this account was a gambling account?

Mr. NOUS. No, we did that at the request of the War Production Board, or some committee that was headed by Mr. James Byrnes at that time.

Mr. BURLING. So you had some indication that there was something wrong with this account, is that right?

Mr. NOUS. No; nothing wrong with this account; we had information that these phones were being used illegally and we attempted to have them removed.

Mr. BURLING. Well, don't you know that in 1943, I might be a year or so off either way, the Federal Communications Commission conducted a very elaborate investigation to check on what phones were being used by gamblers?

Mr. NOUS. Yes, sir; I know that.

Mr. BURLING. In fact, you participated in that, did you not?

Mr. NOUS. That's correct.

Mr. BURLING. And do you mean to say you didn't know at that time that this Carroll-Mooney outfit, using the name "John Mason" which was an alias for their employee Russell McBurney, was using an enormous quantity of phones?

Mr. NOUS. Yes; I knew that.

Mr. BURLING. Did you tell the FCC that?

Mr. NOUS. Yes; and other agencies.

Mr. BURLING. But, at any rate, your investigation was limited to whether their credit was good and not whether they were using the phones for illegal purposes?

Mr. NOUS. We had no way of knowing they were using them illegally; what I mean, we had no proof of any—

Mr. BURLING. Whether or not it was illegal, during the war honest American citizens, pregnant mothers, all kinds of people who needed phones, couldn't get them but yet, during the war isn't it true these people ran phone bills up to tens of thousands of dollars?

Mr. NOUS. We were prevented from removing them by court action.

Mr. BURLING. During the war, sir?

Mr. NOUS. Yes, sir.

Mr. BURLING. Well, tell us about that.

Mr. NOUS. I told you that in 1945 we attempted to remove these phones.

Mr. BURLING. What did you do in 1943, 1944, just take in the checks?

Mr. NOUS. Well, Mr. Burling, those phones were in operation before the war.

Mr. BURLING. I know, but during the war when an American woman, who was the wife of an American soldier overseas, who was having a baby and needed her doctor in this city, she had trouble getting phones, but these phones that could conveniently run up bills into tens of thousands of dollars, had no trouble; is that true or not?

Mr. NOUS. Oh, yes, certainly.

Mr. BURLING. Do you think that is sound public policy, sir?

Mr. NOUS. What I think is not at issue at all.

Mr. BURLING. The committee is interested in finding out what can be done to put an end to the misuse of telephones by gamblers and this seems to be one of those. What recommendation do you recommend to put an end to this evil?

Mr. Nous. I have no recommendation; I am just a small peanut in this thing and can't make any recommendation at all.

Mr. BURLING. Well, you are an American citizen, are you?

Mr. Nous. Well—

Mr. BURLING. Are you?

Mr. Nous. Yes.

Mr. BURLING. Do you think, as an American citizen, that it is an evil situation where these big-shot gamblers can get phones and, during the war, run up great big bills of tens of thousands of dollars a month and the wife of an American soldier overseas who was having a baby and needed her doctor couldn't get a phone?

Mr. Nous. That's my personal opinion and not an opinion of the telephone company.

Mr. BURLING. I understand that.

Mr. Nous. And I will tell you this: If the law-enforcement officers want to close down these gambling establishments, they can do it in 10 minutes time.

The CHAIRMAN. That's a fair answer, tell us how.

Mr. Nous. Simply call on them and tell them they want them down or they will lock them up.

Mr. BURLING. The Attorney General told us this morning he has been working for four solid years and has been met by legal actions by the telephone company.

Mr. Nous. I have no controversy with the Attorney General; I know he worked hard on it and we helped him.

Mr. BURLING. Did the legal department help him?

Mr. Nous. We helped him.

The CHAIRMAN. Do you mean just do like Sheriff Clancy, just "lower the boom" and they would all stop?

Mr. Nous. That's my opinion, personal opinion, now.

The CHAIRMAN. Let me ask one question about these Carroll telephones before you leave. Don't you make checks on what the telephones are being used for so you will find out?

Mr. Nous. Well, Senator, the only way we have to do it is to tap their lines and listen and, I believe you understand that is in violation of the State statute.

Mr. BURLING. But you know, from who they call and who they do business with, the bills that you get, you, of course, know their business, don't you?

Mr. Nous. I can only say that we surmise what their business is; I couldn't swear to the fact that they are using those phones illegally.

The CHAIRMAN. What does this fellow Russell McBurney look like, did he come to see you?

Mr. Nous. I haven't seen that gentleman for 8 or 10 years; I couldn't describe him at the present time if I had to do it.

The CHAIRMAN. What makes you say that he is the front for the Mason-Sullivan-Mooney telephones?

Mr. Nous. Once more, it is my personal opinion, Senator; I don't believe I could swear to that, either.

The CHAIRMAN. Do you know Mr. Mooney?

Mr. Nous. I have met Mr. Mooney.

The CHAIRMAN. How did you meet him?

Mr. NOUS. I was down at 826 Pine at one time and served notice on him we were going to remove his phones.

The CHAIRMAN. How did you happen to serve notice on him?

Mr. NOUS. I couldn't find Mr. Carroll and, by hearsay, I understood that Carroll and Mooney were a partnership.

The CHAIRMAN. What did Mr. Mooney say?

Mr. NOUS. Of course, he objected. The phones were removed, however.

The CHAIRMAN. He didn't deny that they were his phones, did he?

Mr. NOUS. No.

The CHAIRMAN. Do you know Mr. Carroll?

Mr. NOUS. I have met Mr. Carroll.

The CHAIRMAN. What business transactions did you have with him?

Mr. NOUS. The same mission. He operated a place in the 900 block of Locust Street. That's many years ago; and at that time Mr. Franklin Miller was the circuit attorney here and served notice on our company that Mr. Carroll's phones at that address were being used illegally; I served notice on Mr. Carroll that we were going to remove the phones from that place.

The CHAIRMAN. What did he say?

Mr. NOUS. Of course, he objected; and threatened to sue us.

The CHAIRMAN. Did he deny that was his place?

Mr. NOUS. No, sir.

The CHAIRMAN. Did you remove them?

Mr. NOUS. Yes, sir.

The CHAIRMAN. Anything else?

Mr. BURLING. I would like to ask this: Section 605, title 47, forbids the interception and divulging, doesn't it?

Mr. NOUS. That's right.

Mr. BURLING. And it is not a crime to intercept what you don't divulge!

Mr. NOUS. Well, I tell you, we have recently reviewed the cases that have been adjudicated in connection with that section and it has been our opinion that we were not to intercept or divulge.

Mr. BURLING. Have you ever read *U. S. v. Ruber*, which is the only case in which any one has been prosecuted for wire tapping?

Mr. NOUS. I don't think I have.

Mr. BURLING. I believe, Mr. Chairman, that case holds you must both intercept and divulge in order to violate the statute!

The CHAIRMAN. Yes; that's the holding of the Circuit Court of Appeals for the Second Circuit. But you don't need to resort to that, because you already knew, there wasn't any necessity of intercepting at all.

Mr. BURLING. But don't you, as a matter of business practice, constantly monitor your lines to see that they are not being misused?

Mr. NOUS. No, Mr. Burling, we do not.

Mr. BURLING. To see that the electrical system is working, to inspect—

Mr. NOUS. We inspect the lines for mechanical requirements but we do not monitor those lines to determine what conversation is going over them.

Mr. BURLING. You do sometimes?

Mr. NOUS. It is accidental when we do and I have a case that I will cite in a few minutes.

Mr. BURLING. Yes, we are coming to it.

The CHAIRMAN. Mr. Burling, I understand, argued the case to which he was referring about the criminal act is the interception and divulgence of information, not just the interception. I believe you tried that in the circuit court of appeals?

Mr. BURLING. I tried it in the district court, Mr. Chairman, of the southern district of New York, and argued it in the second circuit. I think certiorari was denied, either denied or was not sought, and the opinion is pretty clear that he must both intercept and then divulge. So that the telephone company can itself cut into these obviously race wire services and find out if they are.

The CHAIRMAN. Well, they didn't need to investigate because they knew anyway. Let's get on.

Mr. BURLING. Now, changing the subject, are you acquainted with a firm or corporation called the Automatic Hostess Corp., the St. Louis Automatic Hostess Corp.?

Mr. NOUS. Yes, sir.

Mr. BURLING. Now, at the time you first heard of it, or the company first heard of it, will you say what it was supposed to be and describe its mechanical operation?

Mr. NOUS. Well, it was a concern that rented from us a pair of wires emanating from their place of business, which at that time happened to be at 3529 Franklin Avenue, and terminating at various localities in the community.

Mr. BURLING. And what did they represent that they were going to do with these wires?

Mr. NOUS. They were a wired-music concern.

Mr. BURLING. Now, is my understanding correct that it was to be similar to a jute box except that all that would be in a particular location would be a loudspeaker or amplifier and plus a coin box, plus a telephone dial, or telephone type or style dial, and that a customer would put a coin in this box, at which point an operator in the Automatic Hostess headquarters would say: "What is your selection?" and then the customer would say: "I want to hear No. 46" or 99, or whatever it might be, at which point the operator would place a record on a player which would be played over the wire and amplified on the machine?

Mr. NOUS. That's my understanding of how that sort of a system works; yes.

Mr. BURLING. Do you have other such establishments in this area?

Mr. NOUS. The system, outside of the wire, isn't our property.

Mr. BURLING. No; do you know? I mean were there other lessees of wires?

Mr. NOUS. Yes; under similar circumstances; yes, sir, maybe 12 or 14 of them at one time.

Mr. BURLING. Now, did you ever have occasion to notice anything peculiar or unusual in relation to one particular outlet of the Automatic Hostess outfit?

Mr. NOUS. Yes, sir.

Mr. BURLING. Will you tell us about it?

Mr. NOUS. These wired-music wires, the conductors, are inspected usually every year, or 18 months, either 12 or 18 months, sometime

along in there, just whenever we can have the time to send the men around to do so; such condition was inspected in a place called Uncle John's Tavern, on the south side of Pine Street between Sixth and Seventh.

Mr. BURLING. Would 620 Pine be right?

Mr. NOUS. I think maybe that's about right, somewhere around in there. And our man went into this place to inspect the wires to this jukebox, or whatever device they had in there for the playing of music, and he found that the jukebox was not connected—

Mr. BURLING. Let's go a little slower, let's be clear technically. The telephone company's wire comes into a terminal box; is that correct?

Mr. NOUS. On what we call a coil.

Mr. BURLING. But that's housed in a box?

Mr. NOUS. It may be in a box or may be in some sort of covering of some kind; yes.

Mr. BURLING. And the wire from Automatic Hostess to—

Mr. NOUS. No. 621 Pine—

Mr. BURLING. Uncle John's Tavern stopped at the box and didn't go to the amplifier or coin box in the tavern?

Mr. NOUS. It stopped at the wall; we terminated at the wall.

Mr. BURLING. And where was that wall located?

Mr. NOUS. It is one of the rear walls in that tavern.

Mr. BURLING. Did your inspection show any further wire coming from there to a coin device or amplifier?

Mr. NOUS. No; it did not.

Mr. BURLING. Did it show any other wire leading out of the box?

Mr. NOUS. No.

Mr. BURLING. I am not talking about a telephone company wire but any wire at all.

Mr. NOUS. Well, we inspected it for a telephone wire, for an attachment to the telephone wire; now whether they had any other wires to it or not, I do not know but the telephone wire was not attached to that box.

Mr. BURLING. Is the word "jumper" familiar to you?

Mr. NOUS. Well, the jumper didn't appear at that location, Mr. Burling; if you want me to explain it to you, I will be glad to.

Mr. BURLING. Please do.

Mr. NOUS. This wire, as we installed it, terminates on a coil device on the wall in the premise of this Uncle John's Tavern. When our men made the inspection in these premises, that wire was not connected with the jukebox or phonograph, or call it whatever you will, but immediately went to the terminal box where this coil fed into the cable that would connect back to the telephone company.

Mr. BURLING. In other words, between Automatic Hostess and the final coil is a terminal box, is that correct?

Mr. NOUS. Well, there are several, Mr. Burling.

Mr. BURLING. Let's go back. After your man found that there was no jukebox connected—

Mr. NOUS. Yes, sir.

Mr. BURLING. He followed the wire back—

Mr. NOUS. Back to the basement box where the cable was fanned out so that enough connections could be made to the pairs of wires in the cable.

Mr. BURLING. Where was the basement box, where the cable fanned out?

Mr. NOUS. That was in the basement of the Fullerton Building.

Mr. BURLING. Do you know the address?

Mr. NOUS. I believe it has an address on Seventh Street. The entrance is on Seventh but it is on the corner of Seventh and Pine, on the southeast corner.

Mr. BURLING. After your man got back to that box, did he notice anything in connection with the particular wire that was supposed to go to Uncle John's Tavern?

Mr. NOUS. Yes.

Mr. BURLING. Will you tell us what he found?

Mr. NOUS. That wire had what is commonly called a jumper on it.

Mr. BURLING. The jumper is a wire which the telephone company doesn't own or authorize?

Mr. NOUS. Well, this particular jumper was.

Mr. BURLING. Will you explain what a jumper is?

Mr. NOUS. A jumper is simply a wire that makes a connection between two other wires.

Mr. BURLING. Well, will you tell us what he found?

Mr. NOUS. Yes, sir.

Mr. BURLING. He found a jumper coming off the wire to Uncle John's Tavern, going some place; where did it go?

Mr. NOUS. All right. In this basement box, which is a large affair with maybe 400 terminals on it, by terminals I mean lugs to which wires could be attached. Now, one side of those lugs is the underground cable side; that's the cable that runs between that basement box and the exchange, the telephone exchange. Into that box is also fed a house cable, and by a house cable I mean a cable that feeds all the business in the Fullerton Building or any other adjacent buildings that can conveniently be served by that house cable. Now, there was a jumper on this wire that was to have been operated in Uncle John's Tavern, and the other end of that jumper was connected to a wire in the house cable.

Mr. BURLING. Did your man follow that?

Mr. NOUS. He followed that to room 1018, Fullerton Building.

Mr. BURLING. And in whose name was that recorded?

Mr. NOUS. It was our understanding it was occupied by the Pioneer News Co.

Mr. BURLING. And what happened next?

Mr. NOUS. Well, we asked for entrance to the room 1018, and it was denied. And, of course, we couldn't tell for sure what that wire was being used for, if it was being used, so we had to make a test back at the test board to determine where that wire was going, and we did do that and we learned that the wire was going to 3529 Franklin.

Mr. BURLING. Now, that's the original Automatic Hostess?

Mr. NOUS. That's right.

Mr. BURLING. Mr. Robinson, you heard the testimony just given, and I believe you heard it before; have you prepared on the chart a diagrammatic explanation of what happened?

Mr. ROBINSON. I have. This point here [indicating on chart], as you will recall my explanation this morning, is the Pioneer headquarters in the Fullerton Building. This point here is at 3529 Franklin, which normally would be the headquarters of the St. Louis Automatic

Hostess Co., but down here next to the Fullerton Building, on 620 Pine Street, this button I have colored red is where a wire, as Mr. Nous has testified, was found jumped over to the Pioneer room at 1018 Fullerton Building, and the Pioneer News Service then would, in effect, have access to the entire system of the St. Louis Automatic Hostess, which is outlined here in the yellow strings. Normally, if it were for broadcast of phonograph records, as it was originally installed, that would show as being distributed out of this point here. However, because of the racing information which was observed, because of this jumping here, it now becomes a part of the facilities available to the Pioneer News Service for the distribution of racing information.

MR. BURLING. Mr. Robinson, do you have any information as to whether this jumping operation and acquisition of automatic jukebox has any relation to the shut-down of any telephonic or telegraphic service?

MR. ROBINSON. I don't follow your question.

MR. BURLING. My question is: is there any evidence to indicate that this device was used at a time when their fanned-out devices were unavailable?

MR. ROBINSON. Not to my knowledge. I might add one point here further. After this was discovered and terminated—I might mention that 3529 is a building owned by the Plaza Amusement Co.—

THE CHAIRMAN. It is owned or leased by Plaza?

MR. ROBINSON. Leased by Plaza. After this, a Mike Gazinni was found to have picked up at this point and he was fanning information out to five points here indicated with a little green thread. He indicated at that time he had borrowed \$1,000 from Mr. William Brown of the Plaza Amusement Co. and set up his operation at that address. I think Mr. Nous can tell you he paid—

THE CHAIRMAN. The committee is very delighted to have sitting with us tonight Mr. Arthur Freund, a prominent attorney in St. Louis, who is a member of the American Bar Association's committee on organized crime, which is headed by Judge Robert Peterson of New York City, and which has been doing a great deal of constructive work in research and recommendations in connection with the effort we are, that is, the prevention of organized crime in interstate commerce. Judge Peterson's committee will have a meeting tomorrow in Chicago for the consideration of the testimony this committee has taken up to date. We have a very cordial working relationship with Judge Peterson and Mr. Freund, and I am very glad to have him with us here tonight. He was chairman of the criminal section of the American Bar Association at its last session and the chairman had the honor of an invitation to make a talk at that section. Mr. Freund has always had a great deal of interest in this type of work and trying to look for a remedy. Will you sit here with us?

MR. FREUND. Thank you.

THE CHAIRMAN. Mr. Robinson, can I ask one question before you leave the chart for sure? About how many outlets would this joining of the Automatic Hostess wires give for the outlet of sports information, betting information?

MR. ROBINSON. I have an actual list of those outlets, Mr. Chairman, I think perhaps it should be made a part of the record at this time.

The CHAIRMAN. Well, how many of them are there?

Mr. ROBINSON. Well, now, 1 to 23 represents the direct telephone service from Pioneer; from 23 to 50 represents the 8-A tickers going across the ruler; and from 51 through 56 represents a fan-out at 6754 Page, which you will see running down into these points here in the ground. That's a fan-out I did not mention this morning: here was the one I mentioned in the earlier explanation, 61 through 91—

Mr. BURLING. 23 fan-outs directly through—they are possible fan-outs, we don't know that all of them were receiving race information.

The CHAIRMAN. At any rate, they were connected up on the line so they could receive racing information. This will be made a part of the record. Please mark it "Exhibit No. 46" at this hearing.

(Document referred to was marked by the reporter "Exhibit No. 46," and is on file with the committee.)

Mr. BURLING. Mr. Chairman, you have a number of checks, I might say, subject to connection, that we intend to establish, subject to proper proof, to show that the Plaza Amusement Co. was behind the St. Louis Automatic Hostess. I might take the first check, drawn on the Mercantile-Commerce National Bank, January 29, 1948, No. 44, payable \$90.09. It is endorsed on the side of the check for St. Louis Automatic Hostess Co. The signature is stamped: "Plaza Amusement Co." Signed "Elmer Dowling." And it is endorsed: "Southwestern Bell Telephone Co." Do you have any familiarity with these checks?

Mr. Nous. Mr. Burling, I wouldn't have, nor would any one in our company have, for we don't know who pays the telephone bills; they are simply sent out in the mail, opened and credited to the amount.

Mr. BURLING. These are not all signed by Elmer Dowling, I have two signed "Barney Barts," three, four, five, six, seven, eight by Barts; one, two, by William P. Brown; then we have Ed Wortman, but all were printed "Plaza Amusement Co."; then another William Brown and another William Brown.

The CHAIRMAN. All right, they will be identified at the proper time.

Mr. BURLING. These are the checks paid for this reversal of the Automatic Hostess and I would ask that they all be received as one exhibit.

The CHAIRMAN. Our exhibit No. 47.

(Exhibit No. 47 is on file with the committee.)

Mr. BURLING. I have no more, Mr. Chairman.

The CHAIRMAN. Anything more, Mr. Robinson?

Mr. ROBINSON. No; not a thing.

The CHAIRMAN. That's all. Thank you very much, Mr. Nous. I might say, Mr. Nous, that you and the telephone company have been very cooperative; that is, any information we have tried to get from time to time here, and we are grateful to you.

Mr. Nous. Thank you, sir.

#### TESTIMONY OF WILLIAM MOLASKY AND WILLIAM BROWN, ST. LOUIS, MO., ACCOMPANIED BY MORRIS SHENKER, ATTORNEY, ST. LOUIS, MO.

The CHAIRMAN. You are William Molasky?

Mr. MOLASKY. Yes, sir.

The CHAIRMAN. William Brown?

Mr. BROWN. Yes, sir.

The CHAIRMAN. And both of you are represented by Morris Shenker, is that correct?

Mr. BROWN. Yes, sir.

Mr. MOLASKY. Yes, sir.

The CHAIRMAN. All right, Mr. Burling.

Mr. SHENKER. In order that we should not consume too much time, may the record show that the same matters and things, with the exception of the question of the intimidation, which were offered as exhibits 1 and 2 in the Wynan and Rich cases, are incorporated and raised here?

Mr. BURLING. I don't understand that at all. You claim that these two witnesses are about to incriminate themselves?

Mr. SHENKER. No.

Mr. BURLING. I don't understand your objection. I suggest you wait and let me proceed with the examination and, if I ask an improper question, that will be the time to interpose an objection.

The CHAIRMAN. As I understand, your objection is based on the absence of a quorum?

Mr. SHENKER. That's right; I am not claiming incrimination at this time.

The CHAIRMAN. Let the record show you made your objection.

Mr. BURLING. Mr. Molasky, you appeared in Washington voluntarily on June 15, 1950?

Mr. MOLASKY. Yes, sir.

Mr. BURLING. And you were at that time accompanied by Mr. Shenker?

Mr. MOLASKY. Yes, sir.

Mr. BURLING. Now, you testified at that time about the very great number of publications you represent in distributing?

Mr. MOLASKY. That's correct.

Mr. BURLING. Mr. Chairman, in order to avoid repetition, I am going to recommend that the Chair throw open the extensive testimony of Mr. Molasky and not cover again the rather long history of Mr. Molasky's business interests in which this committee has substantially no interest.

The CHAIRMAN. Well, we can do that but we do not have copies for public information.

Mr. BURLING. It can be made available, either in Washington or by air mail.

The CHAIRMAN. All right, let's proceed with the examination.

Mr. BURLING. Mr. Molasky, I am going to question you, at least until I come to some other topic, solely about Pioneer News Service, Inc. Your distribution of, shall we say, legitimate newspapers and magazines, will be fully spread on the record and we don't need to go over that again.

Mr. MOLASKY. Thank you.

Mr. BURLING. Now, will you start again and state when and how you first became associated with Pioneer News Service?

Mr. MOLASKY. To the best of my recollection, it was back in 1932.

Mr. BURLING. Let me stop you. What had you been doing before that?

Mr. MOLASKY. I had been in the magazine and newspaper and racing publication distribution since I have been 6 years of age.

Mr. BURLING. Did you ever know Moe Annenberg?

Mr. MOLASKY. Very well.

Mr. BURLING. When did you first know him?

Mr. MOLASKY. I knew Moe Annenberg from 1920 up until the time he passed away.

Mr. BURLING. Not continuously, I take it?

Mr. MOLASKY. Oh, yes.

Mr. BURLING. You didn't know him in jail; did you?

Mr. MOLASKY. Certainly I knew him in jail.

Mr. BURLING. Were you in jail with him?

Mr. MOLASKY. No, sir; but I knew him when he was in jail.

Mr. BURLING. Now, did Mr. Annenberg have a racing information service that included the St. Louis area before you came into Pioneer?

Mr. MOLASKY. That I don't know.

Mr. BURLING. To the best of your knowledge, how was racing information distributed prior to 1932?

Mr. MOLASKY. I believe they called themselves the Central News Co.

Mr. BURLING. And who owned that, if you know?

Mr. MOLASKY. Paul Brown and Gully Owens.

Mr. BURLING. And did there come a time in 1932 when you acquired a part interest in there—

Mr. MOLASKY. I believe it was in January 1932 or it may have been in December 1931.

Mr. BURLING. And what did you do, just buy into it?

Mr. MOLASKY. Yes; I have explained in detail how I bought it. If you care for me to repeat it again, I will do so.

The CHAIRMAN. Let's explain it again; I have sort of forgotten it myself.

Mr. MOLASKY. In 1932 Mr. Owens came to me and wanted to sell; asked me if I was interested in buying 50 percent of his business. I told him I would take it up with Mr. Annenberg, who at that time I believe had an interest in a service business—

Mr. BURLING. Mr. Owens and Mr. Brown?

Mr. MOLASKY. Not Mr. Brown; Mr. Owens—

Mr. BURLING. Please wait until I finish my question.

Mr. MOLASKY. All right.

Mr. BURLING. Mr. Brown and Mr. Owens had a business distributing information Mr. Owens was receiving from Chicago at that time?

Mr. MOLASKY. Yes, sir.

Mr. BURLING. And they knew you were associated with Mr. Annenberg?

Mr. MOLASKY. I was associated with Mr. Annenberg in my news agency at that time.

Mr. BURLING. And they asked you if you would care to buy an interest in their business?

Mr. MOLASKY. Yes.

Mr. BURLING. They were 50-50 partners and each of them offered you a half-interest in their business?

Mr. MOLASKY. Yes, sir.

Mr. BURLING. And you said you would have to check with Annenberg?

Mr. MOLASKY. That's correct.

Mr. BURLING. Did you check?

Mr. MOLASKY. Yes.

Mr. BURLING. What did Mr. Annenberg say?

Mr. MOLASKY. I made an appointment for Mr. Owens and he went to New York City, to the best of my recollection, and bought it in New York.

Mr. BURLING. Who bought it?

Mr. MOLASKY. It was bought by Mr. Annenberg, myself, Kruse, and Ragen; we paid them \$100,000 for 50 percent of that business. Of that 50 percent Moe Annenberg let me buy 12½ percent, which I paid \$75,000 for; the other \$25,000 was paid by Annenberg, Kruse, and Ragen.

Mr. BURLING. In what proportion, if you know?

Mr. MOLASKY. I don't know what you mean "in what proportion."

Mr. BURLING. How much did Krause buy; you got 12½?

Mr. MOLASKY. I think Annenberg had 22½ percent, I had 12½ percent—

Mr. BURLING. How much did Annenberg put up; do you know?

Mr. MOLASKY. I think he put up \$45,000 for that 22½ percent.

Mr. BURLING. How much did Kruse get?

Mr. MOLASKY. Between Kruse and Ragen—they must have put up \$30,000 between Kruse and Ragen.

Mr. BURLING. You don't know?

Mr. MOLASKY. \$25,000 and \$45,000 and—

Mr. BURLING. I am asking you how much Kruse put up.

Mr. MOLASKY. I think he put up \$15,000 and Ragen \$15,000. That's to the best of my recollection; I know it was \$30,000.

Mr. BURLING. Did they get a proportionate interest?

Mr. MOLASKY. They had 7½ percent, I believe.

Mr. BURLING. That's in what year?

Mr. MOLASKY. I believe it was in January 1932.

Mr. BURLING. And let's go along with the history of the company. How did it come along?

Mr. MOLASKY. From 1932 on?

Mr. BURLING. Yes; just come on down and tell us the history.

Mr. MOLASKY. Well, from 1932 we paid the Brown-Owens Co., I believe, their money in either 1 or 2 years.

Mr. BURLING. I am sorry; I didn't hear you.

Mr. MOLASKY. I think we paid them their money within a year or 2 years—that \$100,000.

Mr. BURLING. I see.

Mr. MOLASKY. And for years—

Mr. BURLING. So, after you bought in, the partnership was: 25 percent Brown, 25 percent Owens, 22½ percent Annenberg, 12 percent you—

Mr. MOLASKY. 12½ percent.

Mr. BURLING. 12½ percent you, 7½ percent Kruse, and 7½ percent Ragen?

Mr. MOLASKY. That's right.

Mr. BURLING. May I have my last question.

(Last question repeated by the reporter.)

Mr. BURLING. When did the next change in ownership take place on any part of that?

Mr. MOLASKY. Of the Pioneer News Co.?

Mr. BURLING. Yes, sir.

Mr. MOLASKY. In 1940 Mr. Annenberg gave me his 22½ shares of stock.

Mr. BURLING. Will you describe those circumstances in some detail? That's very interesting to us.

Mr. MOLASKY. You have got that record.

Mr. BURLING. Perhaps so, but tell us again.

Mr. MOLASKY. He gave me 22½ shares for \$1.

Mr. BURLING. Did he pay a gift tax on it?

Mr. MOLASKY. I don't know.

Mr. BURLING. What did he say to you when he gave you——

Mr. MOLASKY. Told me he was getting out of that end of the business and wanted to give me the stock.

Mr. BURLING. Had he been indicted at that time?

Mr. MOLASKY. I believe he was.

Mr. BURLING. Had he been convicted?

Mr. MOLASKY. I believe he was.

Mr. BURLING. And sentenced?

Mr. MOLASKY. I don't remember.

Mr. BURLING. Well, he put up \$45,000 in the bottom of the depression, the business had become even more profitable—what did he say to you when he gave you this present?

Mr. MOLASKY. At the time he bought it, it was more profitable than the time he gave it to me.

Mr. BURLING. Well, he had paid, according to your own testimony, \$45,000?

Mr. MOLASKY. To the best of my recollection.

Mr. BURLING. But he gave it to you for \$1?

Mr. MOLASKY. That's correct.

Mr. BURLING. And he did this at a time when he was either under indictment or conviction of an income tax charge; is that right?

Mr. MOLASKY. I don't know just what charges he had.

Mr. BURLING. What do you think your friend Annenberg went to jail for?

Mr. MOLASKY. That's a matter of record; isn't it?

Mr. BURLING. I am asking you what you think: that's not a matter of record.

Mr. MOLASKY. Well, according to the newspapers, evading his tax.

Mr. BURLING. What did he say?

Mr. MOLASKY. I didn't have a chance to see him enough.

Mr. BURLING. Annenberg gave you 22½ percent so, therefore, now you have——

Mr. MOLASKY. Thirty-five shares.

Mr. BURLING. Thirty-five shares.

Mr. MOLASKY. That's myself and my two sons.

Mr. BURLING. Who did he give those shares to?

Mr. MOLASKY. Gave it to me.

Mr. BURLING. Where did your sons come in?

Mr. MOLASKY. Well, they got the 12½ shares, I had given that to them as a trust fund years ago.

Mr. BURLING. Now, Brown has 25 percent at this point, Owens has 25 percent, and Kruse and Ragen each have 7½; right?

Mr. MOLASKY. No, pardon me; to the best of my recollection, Brown and Owens and their wives had 25 apiece.

Mr. BURLING. All right; I am just taking what you are saying, sir.

Mr. MOLASKY. That's right.

Mr. BURLING. Well, I suppose you didn't actually pay \$1 to Moe Annenberg for this stock?

Mr. MOLASKY. I believe in Washington I told the Senator that the attorney for Walter Annenberg has a copy of the letter he sent to me giving me the stock for a dollar.

Mr. BURLING. I didn't ask you that; let's forget you were in Washington. This is a new record. I asked you if you paid \$1.

Mr. MOLASKY. Yes, sir.

Mr. BURLING. Did you take out a dollar bill and say: "Moe, this is a bargain."

Mr. MOLASKY. I didn't give it to Moe; I gave it to his bookkeeper—to Kruse, or Joe; I don't remember who it was.

Mr. BURLING. What year is this?

Mr. MOLASKY. 1939 or 1940, I believe. I am not sure.

Mr. BURLING. Describe the business of Pioneer at that time, what was it engaged in?

Mr. MOLASKY. Pioneer News Co. was engaged in disseminating racing information of sporting news.

Mr. BURLING. How much of the information it disseminated related to anything other than horse racing in 1949?

Mr. MOLASKY. To the best of my knowledge—my only job from the time—

Mr. BURLING. The question is the percentage, give us what percent, please.

Mr. MOLASKY. I couldn't tell you, that wasn't under my jurisdiction, all I ever did was sign checks.

Mr. BURLING. You were the largest stockholder at this point?

Mr. MOLASKY. No; I was not.

Mr. BURLING. Who was?

Mr. MOLASKY. Brown and Owens had 25 apiece, that's 50 percent.

Mr. BURLING. You had 35 percent, that's larger than 25 percent, isn't it, sir?

Mr. MOLASKY. I didn't have 25 percent myself, I had 12½.

Mr. BURLING. After you got it yourself from Annenberg.

Mr. MOLASKY. After I got it from Annenberg, I had 22½ and my sons had—

Mr. BURLING. How old were they at that time?

Mr. MOLASKY. Sixteen or 17, I guess.

Mr. BURLING. You managed the business for them and managed their shares?

Mr. MOLASKY. Managed their shares.

Mr. BURLING. You were responsible for their shares?

Mr. MOLASKY. To a certain extent; yes, sir.

Mr. BURLING. Do you mean they said they were going to vote their shares some way you didn't want?

Mr. MOLASKY. No, sir; I did not say that.

Mr. BURLING. And you don't have any idea of what percent of the information disseminated by Pioneer, the year after you got Annenberg's shares, was horse information?

Mr. MOLASKY. No, sir; I do not know.

Mr. BURLING. You couldn't say whether it was 10 or 90?

Mr. MOLASKY. I couldn't tell you; I don't know.

Mr. BURLING. That's plain absurd. You know in general that almost all the information that was disseminated, at least for money, was horse-race information, don't you?

Mr. MOLASKY. You asked me a question and I answered you exactly the truth and what I am telling you is the truth; I don't know.

Mr. BURLING. I don't suppose you do know to a decimal point of a percent, but, in general, it was horse-racing information, wasn't it?

Mr. MOLASKY. I don't know. All I did in the company was countersign checks, I had nothing to do with any of the business at that time.

Mr. BURLING. What business were you in at the time?

Mr. MOLASKY. I was in the business of magazine and newspaper publication distribution and have been since I was 6 years old up to this minute.

Mr. BURLING. What percentage of your income came from—do you have your income-tax return with you?

Mr. MOLASKY. No, sir; I do not.

Mr. BURLING. Where do you think they are?

Mr. MOLASKY. I don't know; nobody ever asked me to bring them.

Mr. BURLING. I didn't ask you—I just asked you: "Where do you think they are?"

Mr. MOLASKY. My income tax! I can get them in my office any time I want them. Are you talking about my personal income tax? I sent myself to the Senator in Washington and he—he sent them back to me, I believe.

Mr. BURLING. Let's get a picture of what you were doing in the first 5 years after you took Annenberg's shares and you put your own shares in trust for your sons: were you under personal duties for Pioneer?

Mr. MOLASKY. I came down there 1 day a week and countersigned the checks and that's all I ever did in the place.

Mr. BURLING. You countersigned the checks for them without knowing what they were for?

Mr. MOLASKY. Absolutely; they gave me the checks and I signed them.

Mr. BURLING. They just would say: "Here, Molasky, sign the checks," and you signed them and walked out?

Mr. MOLASKY. And that's been going on up until this time.

Mr. BURLING. And you don't know—

Mr. MOLASKY. I never asked any questions.

Mr. BURLING. You will have to stop interrupting me, sir.

Mr. MOLASKY. I am sorry.

Mr. BURLING. To this day you don't know what kind of information Pioneer is engaged primarily in disseminating?

Mr. MOLASKY. No; I don't know. It is—

Mr. BURLING. Pioneer, I mean.

Mr. MOLASKY. No; I do not know.

Mr. BURLING. You don't know if it is 25 percent racing or 50 percent?

Mr. MOLASKY. That I do not know.

Mr. BURLING. What percent, within 10 either way, of your income for the first 5 years after you had Annenberg's stock came from either your salary or dividends on Pioneer stock?

Mr. MOLASKY. Are you referring to the first 5 years after I bought Annenberg's stock?

Mr. BURLING. Yes, sir.

Mr. MOLASKY. To the best of my recollection, they paid me from seventy-five to one hundred twenty-five a week. If there was any dividends, I can't tell you how much dividends there was, if any, from the time I had his stock; I don't remember. I believe the tax report speaks for itself that I gave.

Mr. BURLING. Well, when you bought into the business way back, what did you think the business was? You paid \$25,000 for something; what did you think you were buying?

Mr. MOLASKY. At that time they were disseminating racing news.

Mr. BURLING. Primarily?

Mr. MOLASKY. Disseminating racing news.

Mr. BURLING. Did you ever have occasion to learn they changed after that and started disseminating something else?

Mr. MOLASKY. Well, they were getting from the Continental Press racing and sporting news and selling it; in fact they sold the same news to the St. Louis newspapers, the Globe-Democrat and the St. Louis Star, I think, used to be customers of theirs; they were customers of Pioneer.

Mr. BURLING. Answer the question, please. You have no reason to believe the business changed?

Mr. MOLASKY. No, sir.

Mr. BURLING. You bought into a racing-news disseminating outfit?

Mr. MOLASKY. That's right.

Mr. BURLING. And you have no reason to suppose it isn't that today, do you?

Mr. MOLASKY. You are right.

Mr. BURLING. Now, after you got Annenberg's stock, who ran the company or firm?

Mr. MOLASKY. Mr. Owens ran the business.

Mr. BURLING. That's Gully Owens?

Mr. MOLASKY. That's correct.

Mr. BURLING. And did you have talks with him about how it should be operated and so on?

Mr. MOLASKY. At no time. I never had no business in the company at no time telling him how to operate the business.

Mr. BURLING. Were you and Gully Owens bitter personal enemies?

Mr. MOLASKY. No, sir; we were not bitter personal enemies but nobody could tell Gully Owens how to run the business but himself.

Mr. BURLING. I didn't ask you if you told him how to run the business; did you have discussions with him—

Mr. MOLASKY. No, sir.

Mr. BURLING. Did you ever ask him how the business was, good or bad?

Mr. MOLASKY. Yes; they gave us statements once a month.

Mr. BURLING. I asked you did you ever talk to Gully Owen about it?

Mr. MOLASKY. No, sir.

Mr. BURLING. Not until the day he died did you have any discussion with him?

Mr. MOLASKY. I don't remember talking to him about it.

Mr. BURLING. Where did the racing information come from that Pioneer distributed?

Mr. MOLASKY. It comes from the Continental Press.

Mr. BURLING. Where did it come from at the time you started?

Mr. MOLASKY. In 1932?

Mr. BURLING. Let's take as a cut-off date the date you got Annenberg's stock.

Mr. MOLASKY. It came from the Continental Press.

Mr. BURLING. Over a wire leased from Western Union coming from Chicago into St. Louis into the office, is that right?

Mr. MOLASKY. I believe that's the way it came in; yes.

Mr. BURLING. The office is in the Fullerton Building, isn't it?

Mr. MOLASKY. I believe they weren't in the Fullerton Building at that time.

Mr. BURLING. It is now, at any rate?

Mr. MOLASKY. Yes.

Mr. BURLING. How long has Pioneer been in the Fullerton Building?

Mr. MOLASKY. I would say 8, 10 years.

Mr. BURLING. And, before that, where was it?

Mr. MOLASKY. At the Mart Building, Twelfth and Spruce.

Mr. BURLING. The information came in on the what, a ticker?

Mr. MOLASKY. I believe, I don't know—

Mr. BURLING. Morse code or teleprinter?

Mr. MOLASKY. I think it comes over the Western Union wires, a ticker, I don't know what they call it.

Mr. BURLING. You mean you don't know whether it comes in in Morse code or a teleprinter?

Mr. MOLASKY. That's correct.

Mr. BURLING. All right, it comes in on some kind of a ticker, either a Morris code or a teleprinter.

Mr. MOLASKY. That is it.

Mr. BURLING. Then what happens to the information?

Mr. MOLASKY. As I said to you before, that isn't my department. I don't know. I don't handle that at all. I have never been in that end of the work at all.

Mr. BURLING. You have been a stockholder, a major stockholder in this corporation for 19 years?

Mr. MOLASKY. That is correct, and never had nothing to do with that department.

Mr. BURLING. And you countersign the checks?

Mr. MOLASKY. That is correct.

Mr. BURLING. And Pioneer has been the subject of at least two senatorial investigations, in the public press, and you still haven't found out what happened?

Mr. MOLASKY. No. I don't know what you mean, what happened.

Mr. BURLING. I want—

Mr. MOLASKY. I know they—

Mr. BURLING. What happens to the information?

Mr. MOLASKY. Oh, they sell service.

Mr. BURLING. Well, what happens to the information? It comes in on a ticker. What happens next?

Mr. MOLASKY. Then they disseminate it.

Mr. BURLING. How?

Mr. MOLASKY. By telephone, I guess.

Mr. BURLING. Well, do you need to guess? Don't you know, Mr. Molasky?

Mr. MOLASKY. I told you I come up there to sign the checks, and that is all. Mr. Brown always handled that. I never handled that end of the department.

Mr. BURLING. In other words, your testimony is that notwithstanding the fact that there have been congressional investigations, there have been newspaper clamor, there have been lawsuits, the attorney general of the State of Missouri has been trying to put you out of business for 4 years, you don't know how the information goes out of your office?

Mr. MOLASKY. Yes; by telephone.

Mr. BURLING. It goes out by 8-A telegraph tickers, too, doesn't it?

Mr. MOLASKY. I don't know.

Mr. BURLING. Mr. Robinson, would you indicate the 8-A tickers on the chart?

Mr. ROBINSON. Purple lines over here around the east side of the river.

The CHAIRMAN. How many are there?

Mr. BURLING. Well, at any rate, while we are counting, you mean to say you don't know whether Western Union 8-A tickers going over into the Illinois cross-river area—

Mr. MOLASKY. If they did—I just asked Mr. Brown how they went out there. He told me 8-A tickers. I didn't know.

Mr. BURLING. You mean until I asked you in this courtroom tonight, you didn't know that?

Mr. MOLASKY. No, sir; I just asked him that question.

Mr. BURLING. Well, you may have asked him the question, but—it is most extraordinary when a man who with his family is the largest stockholders of a corporation which has been the source of scandal, court action, senatorial investigation for 4 years, learns something practically everybody else in this room has known up to now, but we will go on.

With respect to the telephone customers, how are they—who are they, as far as you understood?

Mr. MOLASKY. I don't know.

Mr. BURLING. Well, who did you think they were? You and your family were getting in recent years a sizable amount of money out of this company.

Mr. MOLASKY. That is right.

Mr. BURLING. Who did you think your customers were?

Mr. MOLASKY. I can assume that they were bookmakers.

Mr. BURLING. All right, thank you. That is—you knew that bookmaking was illegal both in Illinois and in Missouri, did you not?

Mr. MOLASKY. No, sir, I did not.

Mr. BURLING. Now, wait a minute.

Mr. SHENKER. Bookmaker, not the selling of news; bookmakers.

Mr. BURLING. Suppose we let the witness testify.

Mr. SHENKER. I thought the question ought to be cleared up to the witness.

Mr. BURLING. If you have anything to say, you will be heard at the end. Certainly, don't coach the witness.

Mr. SHENKER. You wouldn't want a witness to answer a question without understanding it.

The CHAIRMAN. Anyway, he assumes they are bookmakers, so let's go on.

Mr. BURLING. Now, one of your customers is Jimmy Carroll. You knew that?

Mr. MOLASKY. Yes, sir.

Mr. BURLING. You knew that he was a big bookmaker?

Mr. MOLASKY. I assume he was.

Mr. BURLING. Well, by repute, he was, whether you can prove it or not; you knew that his reputation was that of one of the biggest bookmakers in America; right?

Mr. MOLASKY. What I read in the paper and I can only assume he was a bookmaker. I can't prove he was a bookmaker.

Mr. BURLING. I didn't ask you to prove it. I asked you, didn't you know it?

Mr. MOLASKY. As I said, I assume he was a bookmaker.

Mr. BURLING. All right. What other well-known customers did you have?

Mr. MOLASKY. I don't remember the list of the customers they had.

Mr. BURLING. Well, over what area did they have customers?

Mr. MOLASKY. Oh, maybe they had Maury Cooper, Carroll,

Mr. BURLING. Rich?

Mr. MOLASKY. I believe Rich was one.

Mr. BURLING. Now, the picture down to date that you have painted is that you and your sons have 35 percent; Brown and Owens have 25 percent each, and Kruse and his wife and Raben and his wife have 25 percent each. What happened with the next important change in the ownership?

Mr. MOLASKY. When Mr. Owens died.

Mr. BURLING. When did he die?

Mr. MOLASKY. It was in—about 5 years ago, I believe. I am not sure. 4 or 5 years ago, isn't it?

Mr. BURLING. Did Mr. Owens die before or after Mr. Ragen?

Mr. MOLASKY. I think he died after Mr. Ragen.

Mr. BURLING. That is what I think, too.

Mr. MOLASKY. I think he died after Mr. Ragen.

Mr. BURLING. Now, let's go back and start over again. What is the first important change in the ownership after you took Annenberg's share which gave you and your sons thirty-five or the hundred shares?

Mr. MOLASKY. There was no change at all, up to the time Mr. Owens had died.

Mr. BURLING. No. Didn't something happen to Mr. Ragen? Does it refresh your recollection if I suggest he was murdered, sir?

Mr. MOLASKY. Yes; Ragen had 15 shares.

Mr. BURLING. Right.

Mr. MOLASKY. Seven and a half shares includes that.

Mr. BURLING. And he died by murder, did he not?

Mr. MOLASKY. According to the papers, they murdered him; yes.

Mr. BURLING. All right. When you took Annenberg's shares, there was no complication, is that right?

Mr. MOLASKY. In St. Louis?

Mr. BURLING. Yes.

Mr. MOLASKY. No, sir.

Mr. BURLING. Or in East St. Louis or across the river area?

Mr. MOLASKY. No, sir.

Mr. BURLING. When was there first any competition?

Mr. MOLASKY. I don't—it may have been a year before he died.

Mr. BURLING. Before who died?

Mr. MOLASKY. Gully Owens died.

Mr. BURLING. Well, will you tell me what year that was?

Mr. MOLASKY. I don't remember; might have been 3 or 4 years ago.

The CHAIRMAN. Well, let's say it was about the end of 1947, just to guess at it.

Mr. BURLING. Owens.

The CHAIRMAN. I know, Owens—or 1948.

Mr. SHENKER. May 1948, if that is of benefit to the committee.

Mr. BURLING. About a year before that, they started up some competition: is that right?

Mr. MOLASKY. That is right.

Mr. BURLING. And tell us about that—who started competing with you and where and under what circumstances?

Mr. MOLASKY. I don't know, outside of reading in the papers there, that they said that there was a crowd over in East St. Louis competing against them.

Mr. BURLING. Not against them; against you, sir.

Mr. MOLASKY. Against the Pioneer News.

Mr. BURLING. You mean to say you have to read in the newspapers to know about the end of a monopoly you have had and the commencement of—

Mr. MOLASKY. Yes.

Mr. BURLING. Competition?

Mr. MOLASKY. In order to find out there, that is how I found out that they were operating there, and then Gully Owens told me they were trying to force him out of business.

Mr. BURLING. Gully told you what?

Mr. MOLASKY. That certain people were trying to force him out of business.

Mr. BURLING. Gully Owens told you that who was trying to force him out of business?

Mr. MOLASKY. He said a certain crowd. He wouldn't mention the names.

Mr. BURLING. Oh, he mentioned the names? All right.

Mr. MOLASKY. No, he did not.

Mr. BURLING. Didn't he say the Chicago mob?

Mr. MOLASKY. Who is the Chicago mob?

Mr. BURLING. I am asking the questions.

Mr. MOLASKY. I don't know. You asked me. I don't know any more than you know.

Mr. BURLING. Didn't Gully Owens tell you that the Capone mob was trying to muscle him out?

Mr. MOLASKY. No, sir, he did not. He said a certain crowd.

Mr. BURLING. A certain crowd.

Mr. MOLASKY. He wouldn't give me the names.

Mr. BURLING. Did he say, "I don't dare mention the names" is that right?

Mr. MOLASKY. He didn't say: "I don't dare mention the names."

Mr. BURLING. Did you ask him? After all, you and your family are the largest stockholders in this corporation.

Mr. MOLASKY. That is right.

Mr. BURLING. Now, wait a minute. One, you and your family are the largest stockholders in this corporation. Two, Gully Owens says a certain mob is trying to muscle our corporation out. Is it your testimony you didn't ask him who the certain mob were?

Mr. MOLASKY. That is correct.

Mr. BURLING. Is that because you were afraid to find out?

Mr. MOLASKY. It was none of my business; didn't want to know; never did ask him.

Mr. BURLING. All right, then did you lose a partner? Is that the next step?

Mr. MOLASKY. The next—Mr. Brown.

Mr. BURLING. The father of this gentleman sitting with you?

Mr. MOLASKY. That is correct. He still maintained his stock, but was not on the payroll of the Pioneer News Co.

Mr. BURLING. Mr. Brown who owned twenty-five percent of Pioneer stopped working for Pioneer and went across the river and joined the crowd, this certain mob, that Gully Owens told you was trying to muscle you out; right or wrong?

Mr. MOLASKY. He has 12½ percent and his wife had 12½ shares.

Mr. BURLING. All right, his family had a quarter interest in Pioneer?

Mr. MOLASKY. That is correct.

Mr. BURLING. What?

Mr. MOLASKY. That is right.

Mr. BURLING. And Gully Owens had told you that a certain mob across the river was trying to muscle Pioneer out; right?

Mr. MOLASKY. That is correct.

Mr. BURLING. And the late Mr. Brown, that is Bev Brown, is that right?

Mr. MOLASKY. That is right.

Mr. BURLING. He left his stock in Pioneer, but went across the river, went to work for the mob that was trying to muscle you out?

Mr. MOLASKY. That is correct.

Mr. BURLING. Did you remonstrate with him?

Mr. MOLASKY. Did I do what?

Mr. BURLING. Did you tell him that was—I withdraw the question.

Mr. MOLASKY. I don't know what he is talking about.

Mr. BURLING. What did you say to Brown when he quit working for Pioneer and went across the River to go to work for Reliable?

Mr. MOLASKY. I never discussed nothing with Mr. Brown at any time.

Mr. BURLING. You figure that was a way to stay healthy?

Mr. MOLASKY. Not to figure the way to stay healthy. I never interfered with what he did or with what Mr. Owens did.

Mr. BURLING. Or with what Mr. Ragen did?

Mr. MOLASKY. Or what Mr. Ragen did.

Mr. BURLING. Mr. Ragen became unwell, is that right, shortly after this?

Mr. MOLASKY. What do you mean by unwell; may I ask you that.

Mr. BURLING. Well, somebody shot him, to be exact; isn't that right?

Mr. MOLASKY. That is it, that is right.

Mr. BURLING. All right. Now, have you any knowledge—withdraw. Is it not the fact that when Mr. Brown, Sr., went across to Reliable

which was the name the muscle mob used, a number of your customers went with them and Pioneer was in some difficulty?

Mr. MOLASKY. The receipts dropped.

Mr. BURLING. You weren't upset by that at all?

Mr. MOLASKY. No, sir.

Mr. BURLING. You just don't care whether you make money or lose it?

Mr. MOLASKY. I don't care whether I am a stockholder or I am not a stockholder of Pioneer News Co., and that is a matter of record.

Mr. BURLING. Now, did Mr. Ragen ever say to you that he would not sell out his stock?

Mr. MOLASKY. No, sir.

Mr. BURLING. Did Mr. Owens say that he would sell out his stock over his dead body?

Mr. MOLASKY. No, sir.

Mr. BURLING. What do you know about Mr. Ragen's murder? Can you tell us anything about it?

Mr. MOLASKY. I don't know any more than you know.

Mr. BURLING. Well, did you ever hear any rumors about it?

Mr. MOLASKY. No, sir.

Mr. BURLING. Have you ever heard before this evening that, in effect, that Ragen refused to sell out and was shot because he wouldn't play ball with the Chicago muscle?

Mr. MOLASKY. The only way I heard that was reading that in the newspapers.

Mr. BURLING. Nobody ever told you that?

Mr. MOLASKY. No, sir.

Mr. BURLING. When did you first read it in the newspapers?

Mr. MOLASKY. I don't remember.

Mr. BURLING. Well, back about the time he was shot; isn't that so?

Mr. MOLASKY. About that time; whatever the date was, I don't remember.

Mr. BURLING. Well, now, did you ask your old friend, Bev Brown, what he knew about it?

Mr. MOLASKY. No, sir.

Mr. BURLING. After all, your partner gets murdered; don't you inquire?

Mr. MOLASKY. No, sir.

Mr. BURLING. You keep your mouth shut?

Mr. MOLASKY. That is correct.

Mr. BURLING. You didn't ask Gully Owens about it, either?

Mr. MOLASKY. No, sir.

Mr. BURLING. All right, now after—as I understand it, Owens died in May of 1948; is that what your attorney says?

Mr. SHENKER. Yes.

Mr. BURLING. What happened then to the holding?

Mr. MOLASKY. I think it went on for about a year, and then Mrs. Owens sold her stock to William Brown.

Mr. BURLING. That is the man who is sitting next to you?

Mr. MOLASKY. That is right.

Mr. BURLING. Who had left the firm to go with the Chicago muscle group?

Mr. MOLASKY. Not William Brown. This is—William Brown's the son. He is the one that bought the stock.

Mr. BURLING. Oh, the son of the man who left to go—

Mr. MOLASKY. That is right.

Mr. BURLING. I get it, so now, we have your family holding 35 percent—let's see—the Brown—the Brown family holding 50, is that right?

Mr. MOLASKY. Twenty-five—50, that is right.

Mr. BURLING. And 7½ in Kruse and 7½ in the Ragen estate?

Mr. MOLASKY. That is correct.

Mr. BURLING. How is it held today—is it changed from that?

Mr. MOLASKY. According to my best recollection, today, Bill Brown also bought 15 shares of Ragen and Kruse's.

Mr. BURLING. I see; so your understanding is today that William Brown owns—

Mr. MOLASKY. William Brown and his mother own 65 percent of the Pioneer News Co.

Mr. BURLING. So that the Brown family today own 65 and you own 35?

Mr. MOLASKY. Correct.

Mr. BURLING. Now, let's go back to the past couple of years. How is the place operated? Who runs it?

Mr. MOLASKY. Mr. Brown.

Mr. BURLING. And have you been talking to him about how it operates?

Mr. MOLASKY. No, sir.

Mr. BURLING. How old is Mr. Brown?

Mr. MOLASKY. William Brown?

Mr. BURLING. Yes.

Mr. MOLASKY. I don't know how old he is. You can ask him that question.

Mr. BURLING. Will you answer, Mr. Brown?

Mr. BROWN. Forty-two.

Mr. BURLING. I see. Now—

Mr. ROBINSON. There came a point, Mr. Molasky, when the Reliable News Service again became a part of Pioneer?

Mr. MOLASKY. I don't know about that.

Mr. ROBINSON. I will show you two checks, Pioneer News Service, Inc., one dated August 21, 1947, in the amount of \$1,500; the other dated September 4, in like amount, payable to the order of Reliable News Service.

Mr. MOLASKY. Well, if you will notice that the checks there are both signed by Mr. Clarence Owens. I know nothing about them.

Mr. ROBINSON. I thought you were the gentleman that signed checks?

Mr. MOLASKY. I didn't sign there. He was authorized to sign himself.

The CHAIRMAN. If I may interrupt, Mr. Robinson, maybe Mr. Brown knows something about this. Apparently a muscle outfit came into operation, the Reliable News Service, and must have been some agreement about them going out of business, because here are \$3,000 in payments to them. Do you know what that is, Mr. Brown?

Mr. BROWN. No, sir, Senator. I wasn't with Reliable News.

Mr. SHENKER. Speak loud.

Mr. BROWN. I say, I wasn't with Reliable News.

The CHAIRMAN. Let's get that over here so we can hear better.

Mr. BROWN. I wasn't with Reliable News, Senator.

The CHAIRMAN. You know what your father said about it?

Mr. BROWN. Well, I have heard him mention things, but I didn't know anything about those checks.

The CHAIRMAN. What about that transaction—you knew what it was? How did you get Reliable out of business?

Mr. BROWN. I would assume—not from my own knowledge—I would assume that they probably just bought whatever interest they had in their business. That is only an assumption, Senator. I don't know.

The CHAIRMAN. Well, it looks like that the mob kind of made a deal all the way around where certain of the Trans-American employees were taken out by Continental. Certain of the old Continental distributors bought out the competitive outfit and everybody made peace again. That is the way it appears here, doesn't it?

Mr. BROWN. Well, I wouldn't have no knowledge of that, Senator.

The CHAIRMAN. All right, Mr. Robinson, let's get going.

Mr. SHENKER. Might I show for the record, this check has a notation: "For equipment and studios." Just noticed that on the side.

The CHAIRMAN. Yes, that is right, and they are both endorsed as the checks will show, Reliable News Service, Inc., by Gordon Foster, apparently, secretary, and Foster, by initials, endorsed the other one.

Mr. BURLING. I would say, Mr. Chairman, that Gordon Foster is a witness whom we have called here. I don't know whether he will appear but we have called him.

The CHAIRMAN. All right.

Mr. ROBINSON. Mr. Brown, as well as being a stockholder of the Pioneer News, were you also employed on a salary basis by the Pioneer News Service?

Mr. BROWN. Yes, sir.

Mr. ROBINSON. Your salary with the Pioneer News Service was what amount?

Mr. BROWN. Well, at one time it was \$500 a week.

Mr. ROBINSON. And that started on what date, if you recall?

Mr. BROWN. Well, I don't recall the exact date. I think it was sometime in '48.

Mr. BURLING. Just before we go on, Mr. Brown, Mr. Molasky, under what circumstances did you acquire that investment in Western Union stock?

Mr. MOLASKY. What—again?

Mr. BURLING. What?

Mr. MOLASKY. You said, Mr. Brown?

Mr. BURLING. I said, Mr. Molasky, before we go on with Mr. Brown—

Mr. MOLASKY. Oh, I see.

Mr. BURLING. Just tell us under what circumstances and when you acquired an investment in the stock of Western Union Telegraph and how.

Mr. MOLASKY. I think it dates back to 1935. I had given the Senator and the committee every one of my stock transactions. You have read them and sent them back to me.

Mr. BURLING. That is irrelevant. I want to know now, sir. Tell us how it happened.

Mr. MOLASKY. I bought stock in 1935. From 1935, I had stock of Western Union; various stocks, I got out of the market—

Mr. BURLING. Don't you remember that you didn't have various stocks—that was the only one you had?

Mr. MOLASKY. Oh, no; oh, no.

Mr. BURLING. I believe you testified that was substantially the only investment—

Mr. MOLASKY. I had Paramount stock and I had several other stocks.

Mr. BURLING. You had had previously, but, but at that time, Western Union was your only market—only big board stock; isn't that correct?

The CHAIRMAN. At the time you were testifying, I think that was what you said. At the time you were down at Washington.

Mr. MOLASKY. No, I had other stocks beside Western Union, Senator. I gave you all of my stock buy and sell orders.

The CHAIRMAN. Yes, I know. We were talking about what you had when you testified down at Washington.

Mr. MOLASKY. Oh, I see. I had nothing but Western Union stock at that time.

Chairman KEFAUVER. All right, go ahead and tell how you happened to buy Western Union stock and how much you bought.

Mr. MOLASKY. Well, I started buying it in 1935, disposed of it, I believe, in 1942 or 1943, got back in the market in 1945, and then I made a trip to New York City, and—

Mr. BURLING. Wait a moment. How much did you buy at this point?

Mr. MOLASKY. When?

Mr. BURLING. When you started this trip to New York City. How much did you hold?

Mr. MOLASKY. When we started the trip to New York City, my family and I had about seven or nine thousand shares, something in there.

Mr. BURLING. Will you go ahead?

Mr. MOLASKY. And then I went up to the Western Union, saw Mr. Egan, who was then the president of the Western Union.

Mr. BURLING. Well, let's—not quite so fast. How did you happen to go to see the president of Western Union?

Mr. MOLASKY. I wanted to go up and see the president. I was a big stockholder, and I thought I would go up and meet him.

Mr. BURLING. Did you go up and say, I am a big stockholder?

Mr. MOLASKY. He knew it because I signed my proxies for him at every election.

Mr. BURLING. I see; and on two occasions, gave them to Mr. Vermillion?

Mr. MOLASKY. For Mr. Marshall, yes.

Mr. BURLING. Mr. who?

Mr. MOLASKY. Mr. Marshall, who is now the president of the Western Union.

Mr. BURLING. And did you also explain to him that you were a big stockholder in a company that leased a lot of equipment from him?

Mr. MOLASKY. To whom?

Mr. BURLING. Did you explain this to the president when you got to his office?

Mr. MOLASKY. No, sir; never discussed Pioneer in no way, shape, or form with him.

Mr. BURLING. You kept that a secret from him?

Mr. MOLASKY. I never said nothing to him.

Mr. BURLING. But you were a large stockholder in a corporation that leased a lot of equipment and wires from Western Union?

Mr. MOLASKY. That is correct.

Mr. BURLING. But it never crossed your mind to tell the president of Western Union?

Mr. MOLASKY. No, sir.

Mr. BURLING. Why?

Mr. MOLASKY. I didn't think it was any of his business to know what stocks I carry.

Mr. BURLING. You didn't think he would be interested in knowing that you were not only a large Western Union stockholder but a customer, an important customer?

Mr. MOLASKY. Well, I never told him anything about it.

Mr. BURLING. I say, you didn't think that was any of his business?

Mr. MOLASKY. That is correct.

Mr. BURLING. All right, will you proceed, sir?

Mr. MOLASKY. And after he had taken me all through the Western Union plant and told me of the—

Mr. BURLING. The president himself took you all through the plant?

Mr. MOLASKY. Yes, sir; Mr. Egan, the president of Western Union for 3 hours took me from the top floor in a building in New York City to the four or five floors and showed me all the new methods that they are going to use that will go into effect in 1950 and 1951, he says, and that is when Western Union is going to start making a lot of money, and everything he told me has proved to be the truth up to this minute. The record speaks for itself. Then I bought additional stock to make the average of my stock up.

Mr. BURLING. And how much do you and your family own?

Mr. MOLASKY. Eighteen thousand shares.

Mr. BURLING. What is the market today?

Mr. MOLASKY. I don't know what the market closed today.

Mr. BURLING. Approximately.

Mr. MOLASKY. I have no idea what it closed today.

Mr. BURLING. I said "approximately."

Mr. MOLASKY. Around \$40, a little over \$40, \$42, \$43; I don't know what it is.

The CHAIRMAN. About \$45 or \$46.

Mr. MOLASKY. Is it that way today?

The CHAIRMAN. I believe so.

Mr. MOLASKY. I hope you are right. I don't know. Haven't looked looked at the paper.

Mr. BURLING. Well, that is around \$800,000. Would that be about what your investment in Western Union is?

Mr. MOLASKY. If the market closed at that price, that is what it would be worth today.

The CHAIRMAN. I stand corrected. I am advised it closed at 43½.

Mr. MOLASKY. Make me feel bad.

Mr. BURLING. Seven hundred fifty—\$800,000. Do you happen to know if you are the largest, you and your family, are the largest

single stockholder—that is, individuals—I am not talking about banks or investment trusts.

Mr. MOLASKY. No, sir; I don't know that.

Mr. BURLING. Anybody ever told you that?

Mr. MOLASKY. Only what I read in the newspaper.

The CHAIRMAN. Mr. Molasky, I never did understand, you say your only duty there was to go by and just sign checks once a week?

Mr. MOLASKY. That is correct, Senator.

The CHAIRMAN. Well, in addition to your salary, you got dividends from Pioneer occasionally; didn't you? Sometimes pretty substantial dividends?

Mr. MOLASKY. Well, whatever dividends they declared, they gave it in proportion to your stock.

The CHAIRMAN. Yes. Well, usually have somewhere from 75 to a 100 thousand dollars to divide up between you at the end of the year in dividends; isn't that true?

Mr. MOLASKY. Not at the end of every year.

The CHAIRMAN. I mean, some years.

Mr. MOLASKY. If I can remember, I think that is the first dividend in 8 or 10 years that they gave.

The CHAIRMAN. Then, here I notice, according to the Pioneer records, that in 1948 they paid you a salary of \$10,375. What's that—

Mr. MOLASKY. In 1948, Senator?

The CHAIRMAN. That is a hundred dollars a week; isn't it?

Mr. MOLASKY. No; not \$10,000; would be \$200 a week.

The CHAIRMAN. I mean, yes. What basis did they pay your salary on?

Until recently, how much did you draw a month, a week, out of Pioneer?

Mr. MOLASKY. Oh, for 8 or 10 years I was getting either \$75 or \$125 a week; and when Mr. Owens died Mr. Brown came to me and he says, "You are going to get \$500 a week; I am going to take \$500 a week, and my son is going to get a certain amount." I think he gave me that for a little over a year.

The CHAIRMAN. Yes; I notice here during one year, 1949, that your salary in addition to your dividends was \$26,600.

Mr. MOLASKY. Five-fifty a week, I think.

The CHAIRMAN. Five hundred and fifty dollars a week.

Mr. MOLASKY. That is correct.

The CHAIRMAN. But didn't you sort of think that was a pretty high salary to get for just signing a few checks?

Mr. MOLASKY. Senator, if he wanted to give it to me, I would be foolish not to take it.

The CHAIRMAN. The thing is, aren't you supposed to earn your salary when you take it from a corporation?

Mr. MOLASKY. All I did was sign checks.

The CHAIRMAN. Just go by and sign two or three checks so often.

Mr. MOLASKY. Whatever checks they handed me, I countersigned.

The CHAIRMAN. Here William Brown, the man that actually handled the business, was only getting \$22,800, but you were getting \$26,600?

Mr. MOLASKY. Wasn't Mr. Brown alive then, Bev Brown?

The CHAIRMAN. This is William Brown. Paul Brown is already deceased. Your first name is William, isn't it?

Mr. BROWN. That is right, Senator.

Mr. MOLASKY. I don't believe I was getting any more.

The CHAIRMAN. He was getting more than you, Mr. Brown, and you were running the business. How did that happen?

Mr. BROWN. Those are salaries that were made; that is what my father made.

The CHAIRMAN. No; that is what Mr. Molasky made.

Mr. BROWN. No; I mean, wasn't the salaries when the three of us were there. I think my father got five-fifty; Mr. Molasky, five-fifty.

The CHAIRMAN. Your father, apparently, before he died, got \$14,200. You got \$22,800; Mr. Molasky got \$26,600.

Mr. BROWN. I wasn't there a full year; was I, Senator?

The CHAIRMAN. It doesn't show here, but apparently that is your yearly salary.

Mr. BROWN. My father was deceased at that July, I believe—is that 1949?

The CHAIRMAN. That is 1949.

Mr. BROWN. That is why his would only be 14.

Mr. BURLING. What does the word "consensus" mean to you? You know a business called "Consensus"?

Mr. MOLASKY. Yes; I do.

Mr. BURLING. And that is the consensus of race-track pickers?

Mr. MOLASKY. It is a distributor of run-downs and wall sheets, the entries, the same as your St. Louis Star and your Globe-Democrat give out every day in the week.

Mr. BURLING. That is all right. Are you in the business?

Mr. MOLASKY. Yes, sir.

Mr. BURLING. With whom are you?

Mr. MOLASKY. In the Consensus?

Mr. BURLING. Yes.

Mr. MOLASKY. I am in business with a fellow named George Kelly; M. McBride, Jr.

Mr. BURLING. Who?

Mr. MOLASKY. M. McBride, Jr.

Mr. BURLING. Where does he live?

Mr. MOLASKY. I believe he lives in Cleveland.

Mr. BURLING. Has he got a nickname?

Mr. MOLASKY. M. McBride—M. McBride, Jr.

Mr. BURLING. Hasn't he got a nickname?

Mr. MOLASKY. There is a Mickey McBride. That isn't the one. This is his son.

Mr. BURLING. You are in business with Mickey McBride's son here?

Mr. MOLASKY. That is correct.

The CHAIRMAN. That is the one that has the Yellow Cabs up there; is that correct?

Mr. MOLASKY. That is right, Senator.

The CHAIRMAN. Now, you are also in business with a relative of yours in the Sport News in New Orleans, too; aren't you?

Mr. MOLASKY. That is—my family have got a news agency in New Orleans, one in Kansas City, and we have one in the city of St. Louis. It is a family partnership. My wife, myself, and my two sons.

The CHAIRMAN. Who operates the one down in New Orleans?

Mr. MOLASKY. My nephew, Maury Raufa, who testified at your committee in New Orleans.

The CHAIRMAN. That is right. Now, I have always been interested in knowing why you wanted to get Mr. Annenberg and Mr. Kruse in on the Pioneer News Service. Why did you want to see them and get them in when he was offered to you?

Mr. MOLASKY. Mr. Owens asked me to talk to Mr. Annenberg.

The CHAIRMAN. I know, but he wanted to—he asked you first if you would take a part of it.

Mr. MOLASKY. No; he wanted to know if I would take part of, with Annenberg.

The CHAIRMAN. And you would talk with Mr. Annenberg. Why did they want you in the business anyway in the first place?

Mr. MOLASKY. That I can't answer, Senator.

The CHAIRMAN. You never contributed anything to it except take money out of it.

Mr. MOLASKY. And paid them for it, paid them for what I got.

The CHAIRMAN. Apparently all you ever paid was \$25,000.

Mr. MOLASKY. That is correct.

The CHAIRMAN. And some years you have gotten away more than 25 thousand back—26 in salary.

Mr. MOLASKY. That is right.

The CHAIRMAN. And maybe 25 in dividends.

Mr. MOLASKY. That is correct.

The CHAIRMAN. Also, there must be some other answer to the question of how Mr. Annenberg gave you those 22½ shares. They were of considerable value. You had paid \$25,000 for 12½ shares. So, on that basis, they must have been worth, or cost at least 46 or 48 thousand dollars.

Mr. MOLASKY. He paid 45 for them.

The CHAIRMAN. Yes.

Hadn't you agreed to do a big favor for Mr. Annenberg?

Mr. MOLASKY. No, sir.

The CHAIRMAN. You didn't do anything for him that would make him feel that he was obligated to you?

Mr. MOLASKY. I didn't have to make him feel that he was obligated to me.

The CHAIRMAN. You took an income-tax conviction about that time; didn't you?

Mr. MOLASKY. That is correct.

The CHAIRMAN. Were you fronting for anybody in that?

Mr. MOLASKY. No, sir.

The CHAIRMAN. That was yourself?

Mr. MOLASKY. That is right.

The CHAIRMAN. You served 18 months or something of that sort?

Mr. MOLASKY. No, sir; 14 months.

The CHAIRMAN. Fourteen months. Did that have any reference to this Annenberg transaction?

Mr. MOLASKY. None whatever.

The CHAIRMAN. Now, Mr. Molasky, I know we have gone over the matter a time or two before, but there have been several different versions of just who met who and how when you gave Mr. Shenker here or Mr. Hendren \$2,500 for a campaign contribution. Will you tell us

the facts of that? Your mind wasn't very clear about it at the time you testified down at Washington.

Mr. MOLASKY. Well—

The CHAIRMAN. You first were in touch with some editor that you had met on the way back from the penitentiary.

Mr. MOLASKY. In fact, he wasn't an editor. He was the publisher of the Festus News, a fellow by the name of Charles Porter. I spoke to Charles Porter and told him that I wanted to make a contribution to Governor Smith's campaign, and he told me that he would be glad to send Judge Eversole over to me to get the money and deliver it to the Governor. In the meantime, I happened to run into Morris Shenker at the Mayfair Hotel, and I asked Morris would he mind introducing me to John Hendren; that I had this money that I wanted to give him toward his campaign. So he says, "Well, come on up, and I will introduce you to him," and that is when Morris Shenker took me up there and introduced me to him, and that is when I gave him the money.

The CHAIRMAN. Give it to him in cash?

Mr. MOLASKY. Yes, sir.

The CHAIRMAN. Well, now, that is the only campaign you contributed to; wasn't it?

Mr. MOLASKY. Yes.

The CHAIRMAN. What were you looking for? What did you want to get out of it?

Mr. MOLASKY. I asked him—I was giving him this money—that it has been customary to have a member of my faith on the police board, and I asked him to consider putting a member of my faith as a member of the police board.

The CHAIRMAN. Didn't you try to get him to put Mr. Shenker on the police board?

Mr. MOLASKY. Never. Shenker's name was never, never mentioned.

The CHAIRMAN. So you thought you could buy influence by making a contribution?

Mr. MOLASKY. No, sir: that was not buying no influence.

The CHAIRMAN. Did you talk about it at the same time you gave the money?

Mr. MOLASKY. I told him I would like to have a member of my race as a police commissioner.

The CHAIRMAN. What did you give the United Jewish Appeal that year; do you remember?

Mr. MOLASKY. Oh, anywhere from fifteen to twenty thousand dollars.

The CHAIRMAN. Do you give them that much every year?

Mr. MOLASKY. I have in the last 3 or 4 years.

The CHAIRMAN. When did you talk with them about wanting to get a commissioner of your faith on the board?

Mr. MOLASKY. The day I gave him the money.

The CHAIRMAN. And what did Mr. Hendren say?

Mr. MOLASKY. He asked me, he said, "Well, I can't promise you anything." He says, "I will take it up with the Governor and let you know." That was the last I heard of him.

The CHAIRMAN. And he didn't appoint anybody—didn't appoint your man?

Mr. MOLASKY. No sir.

The CHAIRMAN. Did you make any specific recommendations?

Mr. MOLASKY. The best of my recollection there, I believe I sent a letter with one or two names—I don't remember the names—to Mr. Porter of Festus, Mo., to take in to John Hendren.

The CHAIRMAN. Did you get any word back about it?

Mr. MOLASKY. Never got a word back. I tried to get him on the telephone and he would not even answer me on long distance.

The CHAIRMAN. So you didn't get what you were looking for?

Mr. MOLASKY. No, sir.

The CHAIRMAN. All right. All right, Mr. Burling. Go ahead.

Mr. BURLING. The next topic I would like to have Mr. Robinson interrogate on, if that is satisfactory.

Mr. SHENKER. I would like to ask Mr. Molasky one or two questions if you have indicated you are finished with him.

The CHAIRMAN. All right, Mr. Shenko.

Mr. SHENKER. Mr. Molasky, there was some talk by Mr. Burling, and some questions pertaining to some attempt to take the service company away from Mr. Owens. I will ask you, please, sir, to state if during that period anyone attempted to buy your stock, your interest, in Pioneer?

Mr. MOLASKY. No one tried to buy my stock.

Mr. SHENKER. They did not?

Mr. MOLASKY. At that time.

Mr. SHENKER. That was before the death of Mr. Ragen, or immediately after his death?

Mr. MOLASKY. That is correct.

Mr. SHENKER. And did any one threaten you in any manner?

Mr. MOLASKY. I have never been threatened by nobody.

Mr. SHENKER. You were not in any manner threatened, nor did they attempt to take away your stock or reduce your influence, or your interest, in Pioneer News Service during that period?

Mr. MOLASKY. At no time.

Mr. SHENKER. Now, pertaining to the contribution. Had you agreed to make the contribution to Mr. Hendren or to Governor Smith's campaign before you ran into me and before you talked to me about it?

Mr. MOLASKY. No. I was going to give the money to Charley Porter, who was the publisher of the Festus News, and he told me he was going to give it to John Hendren, and when I knew John Hendren was in town and ran into you at the Mayfair, I asked you to introduce me to John Hendren.

Mr. SHENKER. Was that the first time I knew anything about your intention to make a contribution?

Mr. MOLASKY. That is the first time you knew anything about it.

Mr. SHENKER. Did I suggest to you making a contribution?

Mr. MOLASKY. You did not suggest nothing.

Mr. SHENKER. Did I know about the idea you were going to make a contribution until I saw you at the Mayfair Hotel on the day?

Mr. MOLASKY. You did not know nothing until I asked you and told you what I wanted to do.

Mr. SHENKER. Did you ask me about the amount you were going to give, until that day?

Mr. MOLASKY. Until on the way going up.

Mr. SHENKER. That is the first time you told me?

Mr. MOLASKY. That is right.

Mr. SHENKER. There was never any question about my desiring any appointment; was there?

Mr. MOLASKY. Never did. I don't think you want it—care for it.

Mr. SHENKER. As a matter of fact, you know I would not accept an appointment?

Mr. MOLASKY. That is correct.

Mr. SHENKER. On that board, or any other board dealing with police work or any other work that would interfere with my law practice?

Mr. MOLASKY. That is right.

Mr. SHENKER. That is all.

The CHAIRMAN. Mr. Molasky, you have never shown any great interest in who is elected to office or who served on boards around here. When did you get so interested in it?

Mr. MOLASKY. Senator, I personally don't know myself why that particular year I wanted to give a contribution to the Governor. I honestly can't tell you.

The CHAIRMAN. You testified in Washington you had never taken any interest in politics, didn't care about who was elected?

Mr. MOLASKY. That is right.

The CHAIRMAN. Here all of a sudden, just one year you seemed to get interested in the matter and to make a contribution?

Mr. MOLASKY. That is right.

The CHAIRMAN. Can you explain that?

Mr. MOLASKY. No, I can't. I just felt I wanted to give him a campaign donation.

The CHAIRMAN. All right.

Mr. ROBINSON. Mr. Brown, coming back to your testimony, we may run through it briefly. I think we can probably refresh your mind on what you testified back in Washington.

Mr. BROWN. Yes, sir.

Mr. ROBINSON. You testified you worked as a clerk for the Pioneer News office for approximately 12 years.

Mr. BROWN. That is right, sir.

Mr. ROBINSON. And during the war you worked in a war plant?

Mr. BROWN. That is right.

Mr. ROBINSON. And then you went to work for the Ideal Novelty Co.

Mr. BROWN. No; McCall Novelty Co.

Mr. ROBINSON. McCall?

Mr. BROWN. Yes; I didn't have no Ideal in there.

Mr. ROBINSON. Then you went to work for the Plaza Amusement Co.?

Mr. BROWN. That is right.

Mr. ROBINSON. What position did you hold in the Plaza Amusement Co.?

Mr. BROWN. I was general manager.

Mr. ROBINSON. Could you tell who some of the other individuals interested in the Plaza Amusement Co. were?

Mr. BROWN. Do you mean the stockholders?

Mr. ROBINSON. The stockholders and officers.

Mr. BROWN. Well, Mr. Wortman was interested in it, I know.

Mr. ROBINSON. Which Mr. Wortman is that?

Mr. BROWN. Frank.

Mr. ROBINSON. Frank Wortman.

The CHAIRMAN. Which one is that, Frank Wortman?

Mr. BROWN. Yes.

The CHAIRMAN. Is that Buster Wortman?

Mr. BROWN. Yes, that is right. And his brother, Edward, was a stockholder, and Mr. Dowling was a stockholder.

The CHAIRMAN. Mr. Who?

Mr. BROWN. Dowling.

Mr. ROBINSON. Is that Elmer Dowling?

Mr. BROWN. That is right. I don't know the other stockholders offhand.

Mr. ROBINSON. Was Greg Moore a stockholder?

Mr. BROWN. I believe he was; yes, sir.

The CHAIRMAN. Is that Gregory Moore who had an interest in or operated the Hyde Park?

Mr. BROWN. That is the same man.

Mr. ROBINSON. Did Chippy Robinson have an interest?

Mr. BROWN. Not to my knowledge; no.

Mr. ROBINSON. Your position there was general manager?

Mr. BROWN. That is right.

Mr. ROBINSON. Were you at that time also general manager of Pioneer News?

Mr. BROWN. No. I never had nothing to do with Pioneer News then.

Mr. ROBINSON. Did you draw a salary from the Plaza Amusement Co.?

Mr. BROWN. Yes, sir.

Mr. ROBINSON. Do you recall the amount of that salary?

Mr. BROWN. One hundred dollars a week.

Mr. ROBINSON. How long a time did you continue to draw that \$100 a week salary from Plaza Amusement Co.?

Mr. BROWN. I think up until, I believe it was, the best of my knowledge April of 1948, I believe that is right.

Mr. ROBINSON. Then did you leave the company?

Mr. BROWN. Then I left the company and went to Pioneer.

Mr. ROBINSON. Did you then go on the payroll with Pioneer?

Mr. BROWN. Yes, sir.

Mr. ROBINSON. Had you been on prior thereto?

Mr. BROWN. No, sir.

Mr. ROBINSON. So that at no time did you draw a salary from Pioneer at the same time you drew it from Plaza?

Mr. BROWN. No, sir; to the best of my knowledge, I don't remember it.

Mr. ROBINSON. Now, your salary at Pioneer.

Mr. BROWN. Yes, sir.

Mr. ROBINSON. If you recall was how much?

Mr. BROWN. I believe I am going to correct myself there. I did draw a salary at both places. I was doing part-time work at both places. I was getting \$100 a week when I started at Pioneer and also a hundred at Plaza. I believe that is what it was.

Mr. ROBINSON. And after the time you acquired the interest formerly held by your father was your salary—

Mr. BROWN. After I acquired Mr. Owen's stock, I believe.

Mr. ROBINSON. Your salary status was increased?

Mr. BROWN. Then I left Plaza altogether, as far as being active.

Mr. ROBINSON. I hand you a group of checks here which appear to be your salary checks at Pioneer News Service and I ask if you recognize them as such?

Mr. BROWN. Yes, sir.

Mr. ROBINSON. Would you look at the endorsement on the major portion of those checks and tell me where they were negotiated?

Mr. BROWN. The major portion was cashed at Plaza, I can tell you that, the major portion was cashed at Plaza.

Mr. ROBINSON. Did you have a bank account at that time?

Mr. BROWN. Yes, sir.

Mr. ROBINSON. Would there be any particular reason for your cashing your salary checks at Plaza Amusement?

Mr. BROWN. Yes. It was much easier for me.

Mr. ROBINSON. Now, at this time was your mother continuing to draw salary from Pioneer News?

Mr. BROWN. Yes; under an honorarium.

Mr. ROBINSON. An honorarium, a continuation of the salary your father formerly drew?

Mr. BROWN. That is right, Mr. Robinson.

Mr. ROBINSON. I show you another group of checks.

The CHAIRMAN. Let the other group be made an exhibit to his testimony.

(The checks referred to were marked "Exhibit No. 48," and are on file with the committee.)

Mr. BROWN. Yes sir.

Mr. ROBINSON. Would you examine the endorsement?

Mr. BROWN. Yes.

Mr. ROBINSON. Were they in the greater number of instances likewise cashed at the Plaza Amusement Co.?

Mr. BROWN. That is right, sir.

Mr. ROBINSON. Did your mother have a bank account at that time?

Mr. BROWN. Yes, sir.

Mr. ROBINSON. Was there any particular reason for cashing the checks with the Plaza Amusement Co.?

Mr. BROWN. No; it was convenient for me. I had power of attorney from my mother.

Mr. ROBINSON. Were you still employed by Plaza Amusement Co.?

Mr. BROWN. Not then; no. I had—after all, that size check, Mr. Robinson, you can't take to anybody to cash.

Mr. ROBINSON. You had a bank account?

Mr. BROWN. Well, not that kind of a bank account, I could cash those checks.

Mr. BURLING. Not what kind of bank account, you can't cash what kind of checks?

Mr. BROWN. I had a very small bank account. I did not keep much money in the bank.

Mr. BURLING. These checks, payable to your mother, \$469?

Mr. BROWN. Yes, sir.

Mr. BURLING. And they go up to \$550. You mean you can't negotiate such small checks in an ordinary bank?

Mr. BROWN. Well, you could, certainly. I did it for convenience sake.

Mr. BURLING. And did you draw the cash out?

Mr. BROWN. What do you mean, the cash out of where?

Mr. BURLING. When you used your power of attorney to draw out a \$500 check payable to your mother, when you cashed it at Plaza did you take it out in cash, or what?

Mr. BROWN. Yes; they give me the cash for it.

Mr. BURLING. And that was more convenient than depositing it in a bank account?

Mr. BROWN. Then I would take it home and give it to my mother.

Mr. BURLING. She found that more convenient than to keep putting it in her bank account, is that right?

Mr. BROWN. That is right, I imagine so. She never complained about it.

Mr. BURLING. And the dates of these, these run in 1949 and 1950, is that right?

Mr. BROWN. That is right.

The CHAIRMAN. Where is the Plaza Amusement Co. with reference to the building where the Pioneer News is in?

Mr. BROWN. Well, the Plaza Amusement Co. is a 1812 Washington. The Pioneer News is at Seventh and Pine, at 1018 Fullerton Building.

The CHAIRMAN. How far is that away?

Mr. BROWN. Oh, well, it is about 12, about 15 blocks, I imagine.

The CHAIRMAN. Where is your bank?

Mr. BROWN. Grand and Washington.

The CHAIRMAN. Your bank then is closer to Pioneer News than the other?

Mr. BROWN. No, much closer to Plaza.

The CHAIRMAN. Why didn't you put these checks in a bank account, deposit them?

Mr. BROWN. Well, I did not think I did anything wrong by doing it, Senator.

The CHAIRMAN. I am just asking you why you did not; of course, if you want the cash, that is all right; but \$500 a week is a lot of money to be cashing, you know, carrying cash around.

Mr. BROWN. Well, I put it in my box.

The CHAIRMAN. Some weeks there you got \$2,000 a week, didn't you?

Mr. BROWN. In what way?

The CHAIRMAN. I mean, you got paid at the rate of \$2,000 a month.

Mr. BROWN. That is right.

The CHAIRMAN. And did you just cash that and put it in your box?

Mr. BROWN. That is right.

The CHAIRMAN. How much did you get saved up in that box?

Mr. BROWN. Well, I had to pay off a lot of debts.

The CHAIRMAN. How much did you get in the box?

Mr. BROWN. Offhand, I do not know, Senator.

The CHAIRMAN. \$20,000, \$30,000?

Mr. BROWN. Oh, no, no. I had to pay off some debts.

The CHAIRMAN. Well, why couldn't you put your money in the bank and write a check on it?

Mr. BROWN. I never did write checks, Senator.

The CHAIRMAN. Well, you had a bank account.

Mr. BROWN. Just a small savings account, very small.

Mr. SHENKER. You did not have a checking account?

Mr. BROWN. No.

The CHAIRMAN. Go ahead, Mr. Robinson.

Mr. ROBINSON. Do you recall when you testified in Washington, Mr. Brown, you were asked with respect to your stockholding in Pioneer News Co?

Mr. BROWN. Yes, sir.

Mr. ROBINSON. You testified you owned 52½ percent.

Mr. BROWN. That is right.

Mr. ROBINSON. And you were asked with respect to the manner in which you acquired it.

Mr. BROWN. That is right.

Mr. ROBINSON. You testified you purchased 25 shares from Mr. Owens?

Mr. BROWN. From Mrs. Owens.

Mr. ROBINSON. From Mrs. Owens?

Mr. BROWN. Yes.

Mr. ROBINSON. For a consideration of approximately \$25,000?

Mr. BROWN. Yes, sir.

Mr. ROBINSON. And you further testified that 12½ shares were given to you by your mother?

Mr. BROWN. By my father.

Mr. ROBINSON. By your father; and you further testified that 7½ shares you purchase from Lester Kruse.

Mr. BROWN. That is right.

Mr. ROBINSON. And you purchased in addition 7½ percent from the Ragen estate.

Mr. BROWN. That is right.

Mr. ROBINSON. Now, with respect to the acquisition of that, I will read you a portion of your testimony and I ask you if you recall so testifying:

Where did you get the \$25,000 in cash to buy the stock from Owens?

I borrowed it.

From whom did you borrow it?

From my mother.

Do you know where she got it?

She borrowed it on her house.

From whom did she borrow it?

From the Jefferson National Bank in St. Louis.

From the Jefferson National Bank in St. Louis?

Yes.

Was that in the form of a mortgage?

Yes.

For how much?

For \$20,000.

Then you needed \$5,000 more in cash for Owen, and you needed \$5,500 for Kruse, is that right?

Yes, sir.

Where did you get that \$10,500?

I borrowed the money.

You borrowed it from whom?

My mother borrowed it. I borrowed it off my mother.

Where did your mother borrow it?

She had a little money.

Do you remember so testifying?

Mr. BROWN. Yes. I would like to correct that. She did not borrow the 10, however. I got it off of her, it was her money.

Mr. ROBINSON. It was her money?

Mr. BROWN. Yes. I would like to make a correction, if I may.

Mr. ROBINSON. I would like to show you check of the Plaza Amusement Co., Inc., No. 4118, dated August 15, 1949, to the order of cash in the amount of \$5,500, signed William P. Brown, endorsed William P. Brown, Plaza Amusement Co., Inc. The check indicates that it was used for purchasing cashiers check No. 315811, and ask you if that refreshes your recollection as to where you got the money to buy Mr. Kruse's stock?

Mr. BROWN. Well, I borrowed it for a period of about 7 or 8 days until my mother got back in town.

Mr. ROBINSON. From whom?

Mr. BROWN. I just took it out of Plaza, I mean I had authority to sign checks for them. I still have.

Mr. ROBINSON. And how did you repay Plaza?

Mr. BROWN. I give them three, I believe \$3,000 one time and \$2,500 another, to the best of my knowledge.

Mr. ROBINSON. And the \$3,000 that you used in repayment, you got from where?

Mr. BROWN. From my mother.

Mr. ROBINSON. And the \$2,500 in repayment?

Mr. BROWN. Yes.

Mr. ROBINSON. You got where?

Mr. BROWN. From my mother.

Mr. ROBINSON. From your mother again. That does, however, refresh your recollection that the actual money that went to Chicago for the purchase of Mr. Kruse's stock came as the result of a negotiation of a loan from the Plaza Amusement Co.?

Mr. BROWN. Yes. I took it out of there.

Mr. ROBINSON. Were you employed by the Plaza Amusement Co. at that time?

Mr. BROWN. Not at this time.

Mr. ROBINSON. Did you still have the authorization to sign checks on Plaza Amusement bank account?

Mr. BROWN. I still have.

Mr. ROBINSON. You still have to this day?

Mr. BROWN. That is right.

Mr. ROBINSON. Do you maintain an interest in the Plaza Amusement Co.?

Mr. BROWN. No; none whatsoever.

The CHAIRMAN. Well, how do you have the power to sign checks if you have no interest in it?

Mr. BROWN. Well, I signed checks when I went there and they just never did take it away.

The CHAIRMAN. Well, do you sign checks sometimes?

Mr. BROWN. Yes, I do, Senator.

The CHAIRMAN. Who asks you to?

Mr. BROWN. The girl may call me and tell me there is nobody in town and she would like to make up the payroll.

The CHAIRMAN. What do you get for that?

Mr. BROWN. Nothing; it is not that much bother to me. It does not happen that often.

The CHAIRMAN. And that is Mr. Wortman's?

Mr. BROWN. That is his company.

The CHAIRMAN. Instructions, and that is the way you work it out with them?

Mr. BROWN. Well, I work it out with Mr. Edward Wortman.

The CHAIRMAN. Do you sign all of their checks?

Mr. BROWN. No, sir.

The CHAIRMAN. And whenever you want to take some money for your own, for a short time, you just write yourself a check, is that the way you do?

Mr. BROWN. Well, they told me I could always do that when I left there.

The CHAIRMAN. Have you done that on other occasions?

Mr. BROWN. No, sir.

The CHAIRMAN. All sort of a family affair, you and the Plaza, and you and the Pioneer?

Mr. BROWN. Well, it is friendly: I mean by that it has no connection with one another.

The CHAIRMAN. Well, you can draw checks on either firm.

Mr. BROWN. Well, I would have to have Mr. Molasky before I could draw on Pioneer.

The CHAIRMAN. Mr. Molasky would have to do something for that \$26,000, so you would have to have him sign the checks over there.

All right. Let's get on.

Mr. ROBINSON. Does the date of that check serve to refresh your recollection as to the date on which you acquired the stock from Mr. Lester Kruse?

Mr. BROWN. Yes, sir.

Mr. ROBINSON. What would be the date?

Mr. BROWN. August 15, 1949.

Mr. ROBINSON. So that up to that date Mr. Lester Kruse was still the owner of a 7½ percent interest in the Pioneer News Co., is that correct?

Mr. BROWN. I presume he was. I don't know. Yes, he would have to be according to this.

The CHAIRMAN. Up to what date Mr. Kruse was the owner of 7½ shares?

Mr. BROWN. This check is August 15, 1949.

Mr. ROBINSON. Now, going back to March, the previous March before that check: I show you check in the amount of \$9,000 to the order of William Molasky, drawn on the Pioneer News Service, Inc., No. 1443, signed by Mr. Molasky and Mr. Brown, and ask you what that check represents? Would that be a dividend of the Pioneer News Service?

Mr. BROWN. Yes, sir.

Mr. ROBINSON. If I showed you a ledger sheet from the Pioneer News Service records perhaps that would help you here.

Mr. BROWN. This was changed.

Mr. SHENKER. Just a minute. He didn't ask you a question.

Mr. ROBINSON. Does that refresh your recollection that Pioneer News Service did declare a dividend in March?

Mr. BROWN. Yes.

The CHAIRMAN. March 1949?

Mr. BROWN. That is right.

Mr. ROBINSON. The amount of that dividend.

Mr. BROWN. This here.

Mr. ROBINSON. The dividend, per share.

Mr. BROWN. Per share, I don't know. I believe it was \$400.

Mr. ROBINSON. Does that record indicate any payment to Mr. Lester Kruse for the 7½ shares owned by him on that date?

Mr. BROWN. No. I tell you what, at that time my father and I both were dealing with Mr. Kruse on his stock, and I would only buy it if he would pass a dividend up. After all it was not worth nothing without the dividend.

Mr. ROBINSON. Pass the dividend: he was entitled to dividends at that time, was he not?

Mr. BROWN. Yes; but it was of no value to me if I did not get the dividend. That was the first dividend in 7 years, Mr. Robinson.

The CHAIRMAN. What was the total dividend paid at that time?

Mr. BROWN. \$3,000.

The CHAIRMAN. Now, Mr. Molasky got \$9,000 so it had to be more than \$3,000.

Mr. BROWN. That was only for 7½ percent.

Mr. SHENKER. The Senator means the total dividend.

Mr. BROWN. Oh, the total dividend was a \$40,000 dividend. Pardon me, Senator.

The CHAIRMAN. Well, then, it is quite clear, as we understand you, that you started to making money and were going to pay a \$400 per share dividend which you declared along in March, which you did not put on the record here, Mr. Kruse's dividend, did not send him any check, and then in the meantime you got busy and bought his stock for \$5,500, and used \$3,000 you got from his dividend to pay him.

Mr. BROWN. Well, that is right.

The CHAIRMAN. That is what happened?

Mr. BROWN. The stock was of no value without the dividend. We were dickering on it all the time.

The CHAIRMAN. Well, a \$3,000 dividend on a \$5,500 bit of stock is a pretty good dividend, I would say; but that is what happened, you willfully, you withheld information about the dividend from him so as to be able to get it at a low price, and also to have his \$3,000 to pay you for stock you bought, you got the \$3,000 on his dividend, didn't you?

Mr. BROWN. That is right.

The CHAIRMAN. All right.

Mr. BURLING. How much did you pay him?

Mr. BROWN. \$5,500.

Mr. BURLING. In other words, for a net outlay of \$2,500 you got stock on which a dividend had just been declared of \$3,000, is that right?

Mr. BROWN. That is right, but that was the first dividend in 7 years.

Mr. BURLING. Well, even so, you paid for the stock outright less than the dividends that had just been declared, isn't that so?

Mr. BROWN. Yes; that is right.

Mr. BURLING. And furthermore, the check was first made out to Kruse and then destroyed?

Mr. BROWN. That is right.

Mr. BURLING. The books were erased with ink eradicator?

Mr. BROWN. That is right.

Mr. BURLING. And a new check was made out, you had to cross out the old, the new number and put back the old number in ink, payable to you, and back-date it about 4 or 5 months, is that right?

Mr. BROWN. That is right.

Mr. BURLING. Then you noticed this check is dated March 3, which is the date of the dividend, but it was not cleared until August 23.

Mr. BROWN. That is right. We were dickering with him.

Mr. BURLING. Well, what influence did you bring to bear on Mr. Kruse to sell you stock which had just started to be profitable and give up his dividend rights, \$3,000, and to take only a net of \$2,500?

Mr. BROWN. Well, my father dealt with him. I did not deal with him. I do not know Mr. Kruse.

Mr. BURLING. Do you know whether Mr. Kruse ever knew about the dividend?

Mr. BROWN. Not to my knowledge, I don't know. I imagine he would.

Mr. BURLING. Well, it is just a plain fraud, in other words, is that right?

The CHAIRMAN. All right. Anything else, Mr. Robinson?

Mr. ROBINSON. In effect, Mr. Brown, you used Mr. Kruse's dividends which he had earned the prior March, but which dividends had not been sent to him, by redating the check, you in effect paid Kruse for his stock with his own dividends, is that correct?

The CHAIRMAN. Plus \$2,500 more.

Mr. ROBINSON. Would that be a correct interpretation?

Mr. BROWN. That seems to me like a correct interpretation; yes.

Mr. SHENKER. May I see that check?

Mr. ROBINSON. Would it also be a correct interpretation that this money was used in repayment of Plaza Amusement Co. for the \$5,500 that you borrowed from it?

Mr. BROWN. No, sir.

Mr. ROBINSON. It was not?

Mr. BROWN. No, sir.

Mr. ROBINSON. The records of Plaza Amusement, Mr. Brown, show a receipt of \$3,000 on the date that this check was negotiated.

Mr. BROWN. Well, that could be a coincidence, Mr. Robinson.

Mr. ROBINSON. A mere coincidence?

The CHAIRMAN. Well, you said just a few minutes ago you paid them back first \$3,000 one time and \$2,500 another time which you got from your mother.

Mr. BROWN. That is right, Senator.

The CHAIRMAN. You don't think you got that \$3,000 from this man's dividend that you took over.

Mr. BROWN. No.

The CHAIRMAN. All right. Well, the time is getting late.

Mr. SHENKER. I have a few questions.

The CHAIRMAN. Well, we are going to call Mr. Brown back in the morning, unless you want to go ahead now.

Mr. SHENKER. Well, if I could have about 2 minutes I might clear up the situation here. It is entirely up to the Senator. Shall I proceed?

The CHAIRMAN. Just go ahead.

Mr. SHENKER. Mr. Brown, pertaining to these transactions, you are testifying to the transactions on the many matters to the best of your recollection; is that correct?

Mr. BROWN. That is right.

Mr. SHENKER. Now, you have no books or records in front of you in order to know exactly the dates and the manner in which each payment was borrowed, or any money was borrowed, or any money was paid back?

Mr. BROWN. No.

Mr. SHENKER. Is that correct?

Mr. BROWN. That is right.

Mr. SHENKER. Now, you had no way of knowing for certain as to exactly which \$3,000 was used or which \$5,000 or \$500 was borrowed from your mother; is that correct?

Mr. BROWN. No, not—

Mr. SHENKER. You are giving testimony to the best of your memory; is that correct?

Mr. BROWN. That is correct.

Mr. SHENKER. Is it possible that you took the \$3,000 that was represented by this check and returned to your mother the \$3,000 that you borrowed from her to pay to the Plaza Amusement Co.?

Mr. BROWN. It could be.

Mr. SHENKER. It is also possible that you cashed this check and you paid Plaza Amusement Co. \$3,000?

Mr. BROWN. That could be possible.

Mr. SHENKER. It could be possible?

Mr. BROWN. That is right. I don't remember.

Mr. SHENKER. You are testifying to the best you can recollect?

Mr. BROWN. That is right.

Mr. SHENKER. Now, insofar as your dealings with Mr. Kruse pertaining to the purchase of the stock; do you know Mr. Kruse?

Mr. BROWN. No.

Mr. SHENKER. Who started the negotiations with him?

Mr. BROWN. My father.

Mr. SHENKER. Speak louder.

Mr. BROWN. My father.

Mr. SHENKER. Did you at any time withhold any information from Mr. Kruse pertaining to any of the assets of the Pioneer News Service or the Pioneer Corp.?

Mr. BROWN. I imagine my father told him.

Mr. SHENKER. Did you withhold any information from him?

Mr. BROWN. No; not I.

Mr. BURLING. Excuse me, Mr. Shenker. You are leading your witness and asking an ambiguous question.

Mr. SHENKER. I have not interfered in the manner in which you asked the question, Mr. Burling.

The CHAIRMAN. Well, anyway he says he did not deal with Mr. Kruse but his father did, but they were dickering during that time, and so he just did not tell Mr. Kruse anything about the dividend here, and did not put it on the record until after the stock was acquired.

Mr. SHENKER. Now, pertaining to the apparent erasures on that ledger sheet, is that in your handwriting, the ledger sheet?

Mr. BROWN. No.

Mr. SHENKER. Whose idea was it to date the check March 3, 1949, instead of any other date, did you give any instructions pertaining to that?

Mr. BROWN. No.

Mr. SHENKER. Did you have anything at all to do with instructions as to how the check was to be issued or what date it was to bear?

Mr. BROWN. No.

Mr. SHENKER. You had nothing to do with that?

Mr. BROWN. No, sir.

Mr. SHENKER. Is that correct?

Mr. BROWN. That is right.

Mr. SHENKER. Now, the stock was purchased from Mr. Kruse for a price and according to an arrangement that was originally started by your father.

Mr. BROWN. That is right.

Mr. BURLING. Just a moment. Mr. Shenker, please don't testify except when you are under oath. You are misstating the testimony. If you want to ask simple questions and not sum up what we have elicited, that is all right, but let's refrain from that form of questioning.

Mr. ROBINSON. To clarify a point, you signed the check in its form as you now see it.

Mr. SHENKER. That is right.

Mr. BURLING. And somebody erased the name Kruse from this ledger sheet, and wrote in the name William Brown.

Mr. SHENKER. Now, did you erase that?

Mr. BROWN. No.

Mr. BURLING. Do you know who did?

Mr. BROWN. My father ordered it erased because he was dickering.

Mr. BURLING. When did your father die?

Mr. BROWN. He died July 1949.

Mr. BURLING. What date appears on the redated check?

Mr. BROWN. August 1949, a month after, but this was going on from March.

Mr. ROBINSON. In other words, you had been holding Kruse's dividend since March.

Mr. BROWN. That is right.

Mr. SHENKER. Did you hear that Mr. Kruse did not want to take the dividend because he was making too much money, and that it would be taxable in a high bracket, that he would rather take a capital loss instead of paying a tax on a dividend?

Mr. BROWN. My father told me something similar to that. I would not be sure.

Mr. SHENKER. You did hear that?

Mr. BROWN. Yes.

Mr. SHENKER. That is all.

Mr. ROBINSON. Who did you hear that from?

Mr. BROWN. From my father. I mean he had talked to Kruse, not me.

Mr. ROBINSON. In connection with these negotiations with Mr. Kruse, did Mr. Molasky participate in those?

Mr. BROWN. No, none at all.

Mr. ROBINSON. We will direct the question to Mr. Molasky.

Mr. MOLASKY. Yes.

Mr. ROBINSON. Did you have any part?

Mr. MOLASKY. None whatever.

Mr. ROBINSON. In the negotiations with Mr. Kruse?

Mr. MOLASKY. None whatever.

The CHAIRMAN. Well, of course you might have sent him the check and let the man who was entitled to it decide whether he wanted it or not, you might have done that.

Mr. BROWN. That could have been, yes, sir.

Mr. SHENKER. Do you know whether, as a matter of fact, whether the check, the original check, was actually sent to him and he returned it with the stock, and then \$5,500 was given to him?

Mr. BURLING. Wait. Mr. Shenker, you will have to refrain from testifying yourself.

Mr. SHENKER. I am not testifying, Mr. Burling. I am asking a question.

Mr. BURLING. I suggest from here on, Mr. Shenker, if you want to ask questions, you ask the chairman or counsel. I suggest, Mr. Chairman, that is entirely improper form.

The CHAIRMAN. Well, if the witness knows anything about it, but don't testify for him, Mr. Shenker.

Mr. SHENKER. I certainly try not to, Senator.

Do you know whether, as a matter of fact—

The CHAIRMAN. Not as a matter of fact. Do you know whether.

Mr. SHENKER. Do you know whether it was sent to Mr. Kruse and he returned it?

Mr. BROWN. It could have been. I don't know.

Mr. SHENKER. You don't know. All right.

The CHAIRMAN. All right, Mr. Brown. Will you come back in the morning at 9:30? We have some other matters we want to go into with you; and Mr. Molasky, while Mr. Brown is testifying, if you will come back also at 9:30.

Mr. MOLASKY. Senator, for the record, if I might, in the past 3 years I have tried to dispose of my stock to Mr. Owens, Mr. Brown, and I have asked Mr. William Brown to buy my stock.

The CHAIRMAN. All right.

The committee will stand in recess until 9:30 in the morning.

(Whereupon, at 10:20 p. m. the hearing was adjourned until 9:30 a. m., the following day, Saturday, February 24, 1951.)

# INVESTIGATION OF ORGANIZED CRIME IN INTERSTATE COMMERCE

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SATURDAY, FEBRUARY 24, 1951

UNITED STATES SENATE,  
SPECIAL COMMITTEE TO INVESTIGATE ORGANIZED  
CRIME IN INTERSTATE COMMERCE,  
*St. Louis, Mo.*

The committee met pursuant to adjournment at 9:30 a.m., in court-room No. 1, United States Court House and Custom House, Senator Estes Kefauver (chairman) presiding.

Present: Senator Kefauver.

Also present: John L. Burling, associate counsel; Harold G. Robinson, deputy director, Department of Justice, State of California; George Fickeissen; James P. Connor, St. Louis Crime Commission.

The CHAIRMAN. Let me again state that anyone whose name has been brought out, if they feel that they went to make any explanation or to deny or to explain or to amplify on any testimony, I hope they will let us know so we can make arrangements to be sure and give them an opportunity today.

Sit down, Mr. Molasky and Mr. Brown.

## FURTHER TESTIMONY OF WILLIAM MOLASKY AND WILLIAM BROWN, ST. LOUIS, MO.

Mr. BURLING. Let the record also show that Mr. Shenker is also again with us.

The CHAIRMAN. Yes; he's represented Mr. Molasky and Mr. Brown all along.

Mr. BURLING. And quite a number of other witnesses before this committee.

The CHAIRMAN. Well, the record will show who he's representing. All right, let's get on.

Mr. ROBINSON. Mr. Brown, when we concluded last night, I had asked you about this check 1435, for \$3,000. You recall?

Mr. BROWN. Yes, sir.

Mr. ROBINSON. I would like at this time to offer as exhibit, check stub from the check stub book with respect to the check Mr. Brown now holds in his hand.

The CHAIRMAN. All right, it will be made an exhibit.

Mr. BURLING. Mr. Chairman, before it is made an exhibit, I think, we should make a comment that check 1435 appears to have been tampered with on the check stub book. I think the record should be made clear about that.

The CHAIRMAN. Check 1435 to William P. Brown, as the exhibit will show, shows that some name has been removed by ink eraser and a different colored ink, William P. Brown has been written in. Check was dated March 3, 1949. Following that check is 1936 which is dated "3-3-49" to Jerome Molasky, dividend. D. Molasky Trust and so forth; and the next check, 1437, is Allen Molasky, dividend, \$2,500.

Mr. ROBINSON. At this time, Mr. Chairman, with your permission, I would like to read into the record a letter dated September 18 from Mr. George Robinson of our staff to Mr. William Garrett of our staff.

Mr. BURLING. Mr. George Robinson is someone other than you. You are Harold Robinson.

Mr. ROBINSON. That is correct. [Reading:]

Arnold Kruse called me the other day to furnish further information, based on his records and recollection concerning the payment of \$5,500 by Hilton.

Kruse said he deposited the check on August 2, 1949, in the above amount, which he sent to his bank by mail, for deposit. It was credited to him in the bank on August 3, according to his bank statement. He thinks the check was dated some time the latter part of July, which was after he came back to Chicago from Florida. He said he came back sometime in June 1949.

To the best of his recollection the first negotiations were in January, February or March of 1949, when Hilton called him in Miami. He also thinks that Molasky called him while he was in Miami too.

Hilton wanted to get the stock for nothing. He thinks that Molasky offered him \$3,000 for the stock when Molasky called him in Miami. Both gave the impression of being very much in a hurry about getting the stock. When Kruse got back to Chicago, Molasky called him again and tried to get his stock. Kruse recalls that Molasky made some statements to the effect that Kruse ought to sell because the business was not doing anything anyway. Kruse stated he thought, in a telephone conversation with Molasky, after he got back to Chicago, Molasky mentioned a \$5,000 figure.

In any event, the upshot of the negotiation was that Hilton finally agreed to give him \$5,500, which was in the latter part of July, and it was a very short time after this—the end of July, that Hilton gave him a check, which Kruse deposited at the time mentioned above.

I shall offer that for the record.

The CHAIRMAN. He testified, I think, in the Chicago hearing also.

Mr. ROBINSON. Now, Mr. Brown, I have here what purports to be two pages from the cash-disbursement book of Pioneer News. I ask you with respect to checks 1439, and the next three checks in order, what that record indicates.

Mr. BROWN. No. 1439—

Mr. ROBINSON. And the next three checks in order.

Mr. BROWN. Nos. 1440, '41, and '42—

Mr. ROBINSON. That is correct.

Mr. BROWN. Yes.

Mr. ROBINSON. Will you state what the cash disbursements indicate on that?

Mr. BROWN. You mean the amounts or the name?

Mr. ROBINSON. That is right.

Mr. BROWN. Virginia Ragen, five thousand.

Mr. ROBINSON. Five hundred.

Mr. BROWN. Or five hundred, pardon me. James M. Ragen, five hundred. James M. Ragen—this is an estate trust, five hundred. James M. Ragen estate trust, five hundred.

Mr. ROBINSON. I show you a general ledger account and do you find those checks entered in that account marked surplus?

The CHAIRMAN. Well, Mr. Robinson, explain what it is all about, so we can—

Mr. BROWN. Yes, sir.

Mr. ROBINSON. Do you also find on the other side an entry canceling that?

Mr. BROWN. That is right.

Mr. ROBINSON. And on the date of September 21, do you find an entry where with your name appearing on it in the amount of \$2,000?

Mr. BURLING. Mr. Chairman, I myself am not an accountant. I think it would be appropriate for Mr. Robinson who is an accountant to make an offer of proof to explain what he is proving by these complex financial statements.

Mr. ROBINSON. I will sum it up.

Mr. BROWN. What do you want, sir.

Mr. ROBINSON. September 21. Is there an entry there of \$2,000 to William P. Brown?

Mr. BROWN. Yes, sir; 22d of September.

Mr. ROBINSON. I show you check dated September 22, in the amount of \$2,000, issued to William P. Brown.

Mr. BROWN. That is right.

Mr. ROBINSON. Does that refresh your recollection, Mr. Brown, in addition to the Kruse dividends, the dividends payable to James Ragen and Virginia Ragen were likewise paid to you?

Mr. BROWN. Yes, sir.

Mr. ROBINSON. In the amount of \$2,000.

Mr. BROWN. Yes, sir.

Mr. ROBINSON. Now, will you look at that check you hold in your hand and tell what the endorsement on the back of it is.

Mr. BROWN. William P. Brown, Plaza Amusement.

Mr. ROBINSON. So Plaza Amusement ultimately received the proceeds of that check in the amount of \$2,000?

Mr. BROWN. They cashed it for me.

Mr. SHENKER. What is the answer; they cashed it for you?

Mr. BURLING. Mr. Shenker, I again caution you against testifying for the witness or telling the witness what to testify.

Mr. SHENKER. Now, Mr. Burling, I didn't tell the witness what to testify. He said, they cashed it for him. Mr. Robinson asked the question which contained the answer and Mr. Brown said, "Yes, sir, they cashed it for me," and it certainly is, required an explanation.

Mr. BURLING. It is unnecessary for you to tell the witness what to testify.

Mr. SHENKER. I didn't—

Mr. BURLING. I heard you do so, Mr. Shenker, and I would like the record to show it. You told the witness what to say.

Mr. SHENKER. I most certainly did not. He said they cashed it for him, and the record will so show.

The CHAIRMAN. Suppose you speak up louder.

Mr. BURLING. And suppose Mr. Shenker refrain from telling the witness what to say.

Mr. SHENKER. I want the record to show I did not tell the witness what to say, and I resent the remarks of counsel.

The CHAIRMAN. Proceed, Mr. Robinson.

Mr. ROBINSON. Looking at that check again, and particularly the endorsement, W. P. Brown, that appears thereon, is that in your handwriting?

Mr. BROWN. I believe it is; yes. I am not—

Mr. ROBINSON. Is that a different handwriting than appears on the check that I have just handed you?

Mr. BROWN. Well, William is spelled out on one. It is abbreviated on the other.

Mr. ROBINSON. I mean, the handwriting itself?

Mr. BROWN. Well, it does seem—

Mr. ROBINSON. Let me ask you the question this way: Did Miss Ann Barrett occasionally endorse your checks?

Mr. BROWN. Not that I remember. To the best of my knowledge, I don't remember. She may have. I may have asked her to.

Mr. ROBINSON. I hand you a group of checks and ask if the endorsements are all in your handwriting?

Mr. BROWN. Some of them, seems like I didn't sign them, but as far as I remember, I did, or I may have had her while I was standing there, had her sign it.

Mr. ROBINSON. Who is Miss Ann Barrett?

Mr. BROWN. She is an employee of Plaza Amusement.

Mr. ROBINSON. Isn't she Mr. Wortman's secretary?

Mr. BROWN. No; not to my knowledge.

Mr. ROBINSON. You have anything further?

The CHAIRMAN. Mr. Robinson, will you make some explanation about what—I don't understand what the purport of these checks shows and what it is about.

Mr. BROWN. The checks show that in March of 1949, Pioneer News declared a dividend. Mr. Molasky, Mr. Brown got their dividend in due course. Mr. Kruse and the Ragen interests were likewise entitled to a dividend at that time. Negotiations—

Mr. BURLING. Ragen himself had been murdered by that time, is that right?

Mr. ROBINSON. That is correct. Negotiations proceeded for the acquisition of Mr. Kruse's stock, the 7½-percent interest, and the Ragen interest which was a 7½ percent interest. The checks purportedly having been issued in March in payment of that dividend were re-worked and actually negotiated in August, and according to the letter, that I have just read you, Mr. Kruse at least, was unaware that any dividend had been declared by Pioneer News and in effect his dividend and the Ragen dividend was used for the purchase of the stock from them.

Mr. BURLING. Perhaps we can sum it up this way. Mr. Brown, just to cut the matter short, would you agree that, that the Kruse and Ragen interest were just swindled in the purchase of their stock?

Mr. BROWN. No, sir.

Mr. BURLING. Would you not agree to that? Do you know—you don't deny it, though—you just don't know, is that right?

Mr. BROWN. I deny it.

Mr. BURLING. You deny it.

Mr. BROWN. I didn't swindle nobody.

Mr. BURLING. I didn't say you swindled them. I say, you don't deny that somebody swindled the Kruse and Ragen interest.

Mr. BROWN. I have no knowledge of it.

Mr. BURLING. Therefore, you are not in a position to deny it and the record speaks for itself, is that correct?

Mr. BROWN. That is right.

The CHAIRMAN. The record at least shows, Mr. Kruse in Chicago or his attorney—somebody testified—that they didn't know anything about the dividend. What does it prove about whether the Ragen estate knew about the dividend?

Mr. ROBINSON. The Ragen estate is handled by the Livestock National Bank, I believe, trustees.

The CHAIRMAN. Does it show one way or another?

Mr. ROBINSON. They did not know the existence of the dividend.

The CHAIRMAN. What proves they didn't know?

Mr. ROBINSON. We have interviewed them in Chicago, Senator. We don't have it as a matter of testimony.

Mr. BURLING. In other words, this witness is in a position of saying that either he swindled the Ragen and Kruse interests or that his father did, and he is not alive to testify. I think that is the summary of it.

The CHAIRMAN. Well, anyway, the facts speak for themselves. Let's get on to something else.

Mr. BURLING. All right, now, Mr. Brown, when did you come back from Reliable to go to work for Pioneer?

Mr. BROWN. I never worked for Reliable.

Mr. BURLING. Well, when did you go to work for Pioneer?

Mr. BROWN. In, I believe it was in 1948, of April or May.

Mr. BURLING. And you became general manager, did you?

Mr. BROWN. Of Pioneer!

Mr. BURLING. Yes.

Mr. BROWN. No; I just—

Mr. BURLING. Well, who ran Pioneer?

Mr. BROWN. My father.

Mr. BURLING. And after your father died, who ran it?

Mr. BROWN. I did.

Mr. BURLING. All right, now, we had some trouble last night finding out what business Pioneer is in. Suppose you tell us succinctly what business Pioneer does.

Mr. BROWN. Disseminate news.

Mr. BURLING. What kind of news?

Mr. BROWN. Well, all sporting events, racing events.

Mr. BURLING. What proportion of the news disseminated relates to horse racing?

Mr. BROWN. Oh, I guess about 90 percent.

Mr. BURLING. Well, it is more than that, isn't it?

Mr. BROWN. No; I don't think so. It is around that.

Mr. BURLING. All right, we will take 90 percent. Does Pioneer disseminate any news other than news gotten off Continental drops?

Mr. BROWN. No, sir.

Mr. BURLING. So you are merely a subdistributor of Continental?

Mr. BROWN. That is right, sir.

Mr. BURLING. And that news comes in on a leased wire of Western Union, is that right?

Mr. BROWN. On the Morse, Morse—

Mr. BURLING. In Morse code?

Mr. BROWN. Yes.

Mr. BURLING. How is the code decoded?

Mr. BROWN. Well, it is decoded by the operator.

Mr. BURLING. You mean, you got an operator that can hear Morse—

Mr. BROWN. That is right.

Mr. BURLING. And what does that operator do with the news?

Mr. BROWN. He decodes it and then we pick it up.

Mr. BURLING. Well, you see, we don't know.

Mr. BROWN. That is in a different—

Mr. BURLING. We don't know all the technical language—

Mr. BROWN. That is in a different office than my office.

Mr. BURLING. Where does the Morse news from Continental come in?

Mr. BROWN. It come in—I have a series of offices at 1018 Fullerton Building.

Mr. BURLING. You mean a series of rooms?

Mr. BROWN. That is right.

Mr. BURLING. But the outside door is 1018 Fullerton?

Mr. BROWN. That is right.

Mr. BURLING. All right, now, I want—

Mr. BROWN. I believe—

Mr. BURLING. You take the wire, coming in from Continental, a leased wire of the Western Union Telegraph Co.

Mr. BROWN. That is right.

Mr. BURLING. Follow the news from there to your distributors, will you—to your customers.

Mr. BROWN. Well, it comes in, I believe it is 1016 is the exact number of the room. I am not sure which number it is.

Mr. BURLING. And there you have got an operator. Is he listening to a ticker or looking at a tape?

Mr. BROWN. No; a ticker, Morse code.

Mr. BURLING. He is looking at a More code ticker tape.

Mr. BROWN. No; no tape.

Mr. BURLING. Oh, all right. He is listening, in other words?

Mr. BROWN. That is right.

Mr. BURLING. And what does he do? Just follow it through for us.

Mr. BROWN. He disseminates the news.

Mr. BURLING. Well, tell us how.

Mr. BROWN. He puts it on a card, on a scratch sheet, and one of my clerks picks it up.

Mr. BURLING. You have already—he has already got before him—

Mr. BROWN. That is right, a scratch sheet.

Mr. BURLING. A scratch sheet of whatever is being run?

Mr. BROWN. That is right.

Mr. BURLING. What does he do—mark down jockeys' weights.

Mr. BROWN. Whatever—

Mr. BURLING. Odds?

Mr. BROWN. Information he has, he puts on the card.

Mr. BURLING. Well, I want you to tell the committee—

Mr. BROWN. Well, he puts down the, say the results of the race.

Mr. BURLING. Well, let's talk before the racing. The jockeys have to carry different weights, don't they?

Mr. BROWN. Oh, yes.

Mr. BURLING. He receives that information; he puts it down on the slip?

Mr. BROWN. That is right.

Mr. BURLING. What else does he do?

Mr. BROWN. Well, he puts down any information that may come in pertaining to that race.

Mr. BURLING. How long you been general manager?

Mr. BROWN. About 2 years.

Mr. BURLING. You must know what kind of information he puts down, don't you?

Mr. BROWN. Well, I am telling you, he puts down anything pertaining to that race.

Mr. BURLING. What does he put down, sir? Please tell us.

Mr. BROWN. He will put down the prices of the horse.

Mr. BURLING. All right.

Mr. BROWN. That is running in that race.

Mr. BURLING. Right.

Mr. BROWN. The jockey will be on there.

Mr. BURLING. All right.

Mr. BROWN. Whoever is racing.

Mr. BURLING. What else?

Mr. BROWN. And then—

Mr. BURLING. What else, sir?

Mr. BROWN. Well, there is nothing else. You ask me how we do it.

Mr. BURLING. Does he put down anything else? He has a scratch sheet in front of him. What does he put down on it?

Mr. BROWN. He puts down anything pertaining to that race.

Mr. BURLING. Well, I am sure he is not going to put down my opinion concerning that race? What does he put down? Can't you be specific? What are his orders to put down?

Mr. BROWN. He puts down anything that comes over the Morse code wire.

Mr. BURLING. I see. In other words, he has no editorial function at all. He just writes down what comes over from Continental.

Mr. BROWN. That is right.

Mr. BURLING. All right. What does he do with the scratch sheet after he has marked it up?

Mr. BROWN. Well, then, then, we take it, and we disseminate the news.

Mr. BURLING. Will you describe the manner in which you disseminate the news?

Mr. BROWN. Right now, it is very difficult to disseminate it.

Mr. BURLING. All right. Let's start back 2 years ago. Describe your operation.

Mr. BROWN. Well, 2 years ago, I can describe it. After the racing come in, say, the results of the race come in, we would take it and we would put it in our office; that is a different office altogether. Then we would have different subscribers call in, and we would also have some subscribers that stayed on.

Mr. BURLING. They have an open phone?

Mr. BROWN. That is right. You are talking about 2 years ago.

Mr. BURLING. I am talking about, let's say, 2 years ago: Well, I don't know whether there is a race today, but 2 years ago this month.

Mr. BROWN. That is right, and they would receive the news; any news that we get, we sell to anybody.

Mr. BURLING. Well, we will come to that. You had open phones and you had them in front of loudspeakers, is that right?

Mr. BROWN. In front of a microphone; yes.

Mr. BURLING. Well, do you mean a microphone such as you and I are speaking into, or do you mean a loud speaker?

Mr. BROWN. No; a microphone that would carry the voice out over the phones.

Mr. BURLING. Well, we needn't quibble technically. A microphone is something you speak into.

Mr. BROWN. That is right. You would have to speak into it to get it into the phones.

Mr. BURLING. Somebody spoke into a microphone and then there was an amplifier; is that right?

Mr. BROWN. That is right.

Mr. BURLING. Or loud speaker?

Mr. BROWN. An amplifier.

Mr. BURLING. And that went in open telephones that were hung around in a rack; is that right?

Mr. BROWN. In a cradle.

Mr. BURLING. How many telephones would you say 2 years ago today there were in this cradle?

Mr. BROWN. I believe about 17 or 18.

Mr. BURLING. How else would you disseminate this racing information?

Mr. BROWN. By people calling in.

Mr. BURLING. People would call in about individual races?

Mr. BROWN. That is right.

Mr. BURLING. Let's get back to the people that had open phones. the 17. What kind of people were they?

Mr. BROWN. What do you mean, what kind?

Mr. BURLING. What business were they in?

Mr. BROWN. Well, I sold them the news. It wasn't my—

Mr. BURLING. I didn't ask you that. I said, "What business were they in?"

Mr. BROWN. Well, I presume they were bookmakers.

Mr. BURLING. You knew that bookmaking is illegal in Missouri and in Illinois, did you not, sir?

Mr. BROWN. Oh, yes.

Mr. BURLING. In other words, you were dealing with criminals?

Mr. BROWN. Well, I had—

Mr. BURLING. There isn't a shadow of doubt about that, is there, sir?

Mr. BROWN. I know, but I am not supposed to police them.

Mr. BURLING. Perhaps not, but you were dealing with criminals at any rate?

Mr. BROWN. That is your opinion. It is not mine.

Mr. BURLING. No, no; I want your opinion. Did you have a shadow of a doubt in your own mind that you were dealing with criminals?

Mr. BROWN. No; I never thought I was dealing with criminals.

Mr. BURLING. Don't you know bookmakers are criminals in both Illinois and in Missouri?

Mr. BROWN. No; I wouldn't say they are criminals.

Mr. BURLING. You mean a criminal is not a man who commits a crime under the State law?

Mr. BROWN. Well, they have racing in Illinois. How could people be criminals over there?

Mr. ROBINSON. Mr. Brown, on July 13, it appears from the record that the 8-A tickers on the East Side were terminated at the request of the Governor of Illinois; is that according to your understanding?

Mr. BROWN. That is right; yes, sir.

Mr. ROBINSON. On October 10, 1950, the State of Missouri prevailed upon the phone company to cut off all your phones; is that according to your understanding?

Mr. BROWN. That is right; yes, sir.

Mr. ROBINSON. I hand you your ledger of the Pioneer News, and ask you to examine the page showing cash receipts for the month of January 1951 and ask you the nature of the cash received.

Mr. BROWN. What do you mean?

Mr. ROBINSON. Where did it come from?

Mr. BROWN. From subscribers.

Mr. BURLING. Read us off the items, please, Mr. Brown.

Mr. BROWN. From subscribers.

Mr. BURLING. No; read into the record the cash receipts in 1951, January.

Mr. BROWN. The names?

Mr. BURLING. Each one, each name and each item, and explain what the money was paid for.

Mr. BROWN. Jack Burns, \$75.

Mr. BURLING. What was Jack Burns paying you \$75 for, fun?

Mr. BROWN. For news.

Mr. BURLING. What kind of news?

Mr. BROWN. Anything I could give him.

Mr. BURLING. News about the United Nations or the Korean War?

Mr. BROWN. No; racing news.

Mr. BURLING. And how did he get it?

Mr. BROWN. Why, most of the people now come down and pick it up.

Mr. BURLING. They walk down to your office?

Mr. BROWN. Or some of them give us a number, and we call them.

Mr. BURLING. You call them by telephone?

Mr. BROWN. That is right.

Mr. BURLING. You don't mean "most"? You mean "all"; don't you?

Mr. BROWN. No, no; some of them.

Mr. BURLING. Has anybody paid you anything in January 1951 for news delivered by messenger?

Mr. BROWN. Yes.

Mr. BURLING. Will you name him, please?

Mr. BROWN. Pierce News is delivered by messenger. I don't see him on here, though.

Mr. ROBINSON. That is Mr. Molasky's firm; is it?

Mr. BROWN. Yes.

Mr. BURLING. Mr. Molasky is the largest or—no, owns roughly a third of your company?

Mr. BROWN. Yes; that is right.

Mr. BURLING. Well, let's leave out people that are owners of your company. Has anybody else paid you anything for news delivered in January 1951, which is delivered by messenger?

Mr. BROWN. No; we go outside and call most of them.

Mr. BURLING. You are still in the business of disseminating—

Mr. BROWN. That is right.

Mr. BURLING. Racing information to bookies illegally; is that right?

Mr. BROWN. Well, that is—I sell the news, if that is what you mean.

Mr. BURLING. And you know the attorney general of the State says it is illegal; don't you?

Mr. BROWN. Well, we still have a case pending. We don't—

Mr. BURLING. Well, whether it is illegal or not, you are still in the business of disseminating racing information by wire?

Mr. BROWN. I don't think I am in an illegal business.

Mr. BURLING. I said, leaving aside the legal question—we will leave that to the courts.

Mr. BROWN. Yes; I disseminate the news.

Mr. BURLING. By wire?

Mr. BROWN. That is right.

Mr. BURLING. To bookies?

Mr. BROWN. Well, I have no definite knowledge what people do.

Mr. BURLING. Are you a man of reasonable intelligence, Mr. Brown; would you say?

Mr. BROWN. Well, would you say?

The CHAIRMAN. Let's get the facts and not—

Mr. BURLING. I want to—Mr. Chairman, I want to know whether this man can think of any reason why anybody would buy his service except a bookie.

The CHAIRMAN. I assume you will say that you are selling it all to bookies here; aren't you—or most of it?

Mr. BROWN. Most of it; I assume that.

Mr. ROBINSON. Mr. Brown, your experience over a long period of time was in the coin-machine-operated field; is that right?

Mr. BROWN. Yes.

The CHAIRMAN. Mr. Brown, before you get on to these—away from what kind of information you distribute and what not—Continental also sends off the ticker and you redistribute basketball, baseball, boxing, fighting, everything—

Mr. BROWN. Yes, sir.

The CHAIRMAN. Of that sort?

Mr. BROWN. Anything of current event.

The CHAIRMAN. Are most of the big basketball games distributed over Continental?

Mr. BROWN. The results of their games: yes.

The CHAIRMAN. Is there much betting in this section on basketball?

Mr. BROWN. I wouldn't have much knowledge of it, sir. I don't think so.

The CHAIRMAN. Well, you disclaim knowledge as to how much betting there is over, from your wires on horse racing, too?

Mr. BROWN. Well, I wouldn't know anything about how much is bet on—

The CHAIRMAN. Now, when you get this information and telephone it out, do you have a telephone—that is January 1951—do you have a telephone right in your office?

Mr. BROWN. Yes, sir.

The CHAIRMAN. You still call out from your office?

Mr. BROWN. January 1951?

The CHAIRMAN. Yes.

Mr. BROWN. Oh, no. I was going back to when I had the phones. No, I don't have any now: I use public telephones.

The CHAIRMAN. Well, then, do you have to write down what the result is and rush out to a public telephone to telephone?

Mr. BROWN. Yes, sir.

The CHAIRMAN. Where do you go to?

Mr. BROWN. Different phones. I have no certain phone.

The CHAIRMAN. Do you go to your neighbor's phone?

Mr. BROWN. No.

The CHAIRMAN. Do you go downstairs in the Fullerton Building?

Mr. BROWN. Downstairs sometimes.

The CHAIRMAN. What do they have, a pay station down there?

Mr. BROWN. Yes, sir: two of them.

The CHAIRMAN. And put your nickel in and call out?

Mr. BROWN. That is right.

The CHAIRMAN. That is a—pretty inconvenient; isn't it?

Mr. BROWN. Very much so.

The CHAIRMAN. You have about 25 people you still getting money from—19 in January 1951?

Mr. BROWN. Yes.

The CHAIRMAN. You stay right there until you inform all of them what the news is?

Mr. BROWN. It sort of—one might inform the other.

The CHAIRMAN. What's that?

Mr. BROWN. I say one may inform the other.

The CHAIRMAN. Well, you have other people who run down there and make the calls besides you?

Mr. BROWN. Oh, yes: I don't make any of them.

The CHAIRMAN. How much office force do you have to go down the elevator and get in the pay stations to call all your customers?

Mr. BROWN. Oh, I have about three men—always one going in and one coming out.

The CHAIRMAN. And what floor is your office on?

Mr. BROWN. On the 10th floor.

The CHAIRMAN. And they have to go all the way down to the downstairs?

Mr. BROWN. Yes, sir.

The CHAIRMAN. Don't you have some arrangement to use a neighbor's telephone?

Mr. BROWN. No.

The CHAIRMAN. Once in a while?

Mr. BROWN. No.

The CHAIRMAN. How many pay stations do you have in the lobby of the Fullerton Building?

Mr. BROWN. Two.

The CHAIRMAN. Just two?

Mr. BROWN. Yes.

The CHAIRMAN. And that is where all the news comes from now, then?

Mr. BROWN. No. There is—sometimes those phones are busy; they have to go to other phones.

The CHAIRMAN. Where do they go to then?

Mr. BROWN. I wouldn't know where they go, Senator. There are a lot of phones available around there downstairs.

The CHAIRMAN. You mean private offices?

Mr. BROWN. No, no; no private offices.

The CHAIRMAN. Drug store; anywhere they can make a phone call, they rush in and make one?

Mr. BROWN. Yes.

The CHAIRMAN. How many people do you have on your 19-January 1951 list who were paying you?

The attractive reporter says she will be able to record it better if you will say "Yes" or "No" instead of nodding your head.

Mr. BROWN. All right.

The CHAIRMAN. Now, how many? Suppose you read off your customers in January 1951 and give the amount they paid you.

Mr. BROWN. Jack—

The CHAIRMAN. Give their addresses, too, if you have them.

Mr. BROWN. I don't have the addresses.

The CHAIRMAN. Read what you have.

Mr. BROWN. Jack Burns, \$75; Harry Burns, \$50; St. John, \$100—no, pardon me, that is Olsen \$100. St. John, \$75; Fanny, \$50.

Mr. BURLING. Who is Fanny?

Mr. BROWN. Fanny! That is Fanny—Fanny is all we have on here.

The CHAIRMAN. You had a Fanny on your books for at least—the books I have seen—for 4 or 5 years back. Haven't you found out about what her last name is yet?

Mr. BROWN. Well, I do.

The CHAIRMAN. What?

Mr. BROWN. Her name is Fishman.

The CHAIRMAN. Fannie Fishman. Well, you found out.

Go ahead with your other names.

Mr. BROWN. Berry, \$100.

The CHAIRMAN. Berry; who is Berry—what is Berry's last name?

Mr. BROWN. Berry is the last name.

The CHAIRMAN. What is his first name?

Mr. BROWN. John.

The CHAIRMAN. All right; go ahead.

Mr. BROWN. Noser. There is no initial. I don't know his first name.

Mr. BURLING. Speak up also so we can hear. We want the reporter to hear but we also want to hear, Mr. Brown.

Mr. BROWN. This amount is two twenty-five on here, but it is for—I believe it is for 3 weeks. It says, a notation here, 3 weeks, so that would make it seventy-five.

A. James, seventy-five; S. Portney, seventy-five; J. Toko, this is also—is two twenty-five amount, but it is a seventy-five; it is 3 weeks.

Harris, \$75; Vogt, a hundred twelve fifty. Oh—Brick—Brick, \$75. Carroll—

Mr. BURLING. What Carroll?

Mr. BROWN. J. Carroll, \$350.

Powers; that is J. Powers—

Mr. BURLING. Just a moment. I think it appears elsewhere in the record that Mr. Carroll claims to have gone out of business sometime earlier.

The CHAIRMAN. How much was he, three hundred fifty?

Mr. BROWN. That is right.

Mr. BURLING. That is your largest single item?

Mr. BROWN. Yes, sir.

Mr. BURLING. Is that J. J. Carroll?

Mr. BROWN. That is right.

Mr. BURLING. What is his address as of the time that you are speaking of?

Mr. BROWN. I don't know.

Mr. BURLING. You don't know?

Mr. BROWN. No.

Mr. BURLING. You don't know where your largest customer is doing business?

Mr. BROWN. No; I don't have any of the addresses.

The CHAIRMAN. All right, proceed with the list.

Mr. BROWN. What is the last we had?

The REPORTER. J. Powers.

Mr. BROWN. Next, Pierce News, seventy-five; Rex Cigar Store in Alton, thirty; and Al James, fifty. That is the total of them.

The CHAIRMAN. Now, when you were in Washington, we asked you why you didn't have full names of these people and addresses on your books. Don't you think a big company like this—that you ought to have the full names and addresses of your customers?

Mr. BROWN. They don't want to give me no names or addresses.

The CHAIRMAN. They don't want to give them to you? Why is that?

Mr. BROWN. I guess it is because I am always before the committee, Senator.

The CHAIRMAN. Well, I mean, of course, you could get the names and addresses if you wanted. You know where these people are and you know who they are; don't you?

Mr. BROWN. No; I don't know where they are at. I don't know how you would find it.

The CHAIRMAN. You have J. Carroll. You know who he is—you know one of his addresses?

Mr. BROWN. I know J. Carroll, but I don't know his address at present.

The CHAIRMAN. You know where the Pierce News is and you could put down their address, couldn't you?

Mr. BROWN. Yes; I could.

The CHAIRMAN. Now, you say a lot of these people you don't know where they are?

Mr. BROWN. That is right.

The CHAIRMAN. How do you telephone them?

Mr. BROWN. I say, they come down and leave us a number every day. Every day they change their numbers.

The CHAIRMAN. If they came down and left you a number, it looks like they could also leave you their address, don't it?

Mr. BROWN. Wouldn't be no reason for them to leave me their address.

The CHAIRMAN. Leave a different number every day?

Mr. BROWN. Practically every day.

The CHAIRMAN. In and out every day?

Mr. BROWN. Yes, sir.

The CHAIRMAN. So you can telephone them, but you don't know all of their names and you don't know their address. Now, how do you collect your money from them?

Mr. BROWN. They bring it in.

The CHAIRMAN. And you send out some bills, don't you?

Mr. BROWN. No, sir.

The CHAIRMAN. You don't have anybody to write letters for you up there?

Mr. BROWN. No, Senator.

The CHAIRMAN. You mean, Mr. Carroll comes in with his \$300 a week every week?

Mr. BROWN. That is right.

The CHAIRMAN. Does he bring it in personally?

Mr. BROWN. No, sir.

The CHAIRMAN. Who brings it in for him?

Mr. BROWN. Well, I don't know. I am never there when it comes in.

The CHAIRMAN. That is a big amount, looks like you would wait around for that \$300.

Mr. BROWN. Well, I have very trusted employees.

The CHAIRMAN. You do. Any way, you have got to get them pretty fast service to be worth \$300 a week. On Mr. Carroll, for instance, does that mean that you call his phone between every race?

Mr. BROWN. That is right.

The CHAIRMAN. Every race comes over, you have got to get the call to him and get back and get the latest information and call again!

Mr. BROWN. That is right, sir.

The CHAIRMAN. Now, when these men are down in the pay station calling, can't they call your office and get the information there?

Mr. BROWN. No, sir.

The CHAIRMAN. Have to come back up the elevator?

Mr. BROWN. Yes, sir.

The CHAIRMAN. How do you decide on who is going to pay \$75 and who is going to pay \$350 a week?

Mr. BROWN. Well, that is—those amounts were there when I come there. I mean, I never changed them.

The CHAIRMAN. But you have been making adjustments from time to time, haven't you?

Mr. BROWN. Yes, Senator.

The CHAIRMAN. How do you decide? I mean, do you have some people you give superior news to; some people you give less news to?

Mr. BROWN. Yes, some people get less.

The CHAIRMAN. How do they get less? You mean, they don't get information after every race?

Mr. BROWN. No. You might call them after three or four races.

The CHAIRMAN. As a matter of fact, you have gotten adjustments, you and Mr. Molasky, with the Continental Press, as to what you pay them, haven't you?

Mr. BROWN. I don't follow you, Senator, on that.

The CHAIRMAN. You used to pay Continental Press, didn't you, Mr. Molasky, about \$1,200 a week?

Mr. MOLASKY. That was several years ago, Senator.

The CHAIRMAN. How much was it, \$1,200 a week, wasn't it?

Mr. MOLASKY. That was several years ago.

The CHAIRMAN. Yes, and you went up to Chicago or worked out a deal where you just been paying them five hundred fifty a week or five forty?

Mr. BROWN. Five forty.

The CHAIRMAN. You did that, didn't you, Mr. Molasky?

Mr. MOLASKY. To the best of my recollection, I think Mr. Brown had talked to Tom Kelly in reference to getting a cut.

The CHAIRMAN. Anyway, you got it reduced down.

Mr. MOLASKY. Yes, sir.

The CHAIRMAN. That was on the understanding, if you started to doing more business, it would come back up, is that about the way?

Mr. MOLASKY. That was the understanding, yes, sir.

The CHAIRMAN. All right, that is all I have to ask.

Mr. BURLING. I just want to ask Mr. Brown about this jumper business matter. Mr. Robinson, would you go to the chart once more? Were you here last night, Mr. Brown, when a representative of the telephone company testified?

Mr. BROWN. Yes; I heard him. Mr. Nous.

Mr. BURLING. What?

Mr. BROWN. Mr. Nous, you mean?

Mr. BURLING. Mr. Nous, yes.

When did you first hear of the St. Louis Automatic Hostess Co.?

When did you first hear of it?

Mr. BROWN. Well, that was in existence quite sometime.

Mr. BURLING. I just asked you when you first heard of it.

Mr. BROWN. A few years ago.

Mr. BURLING. Well, how much?

Mr. BROWN. Oh, I heard of it, I guess, 5 years ago.

Mr. BURLING. What did you hear it was in business doing?

Mr. BROWN. It had an operation of hostess set-up.

Mr. BURLING. You can be clearer than that, can't you?

Mr. BROWN. Well—

Mr. BURLING. It was in a coin automatic—

Mr. BROWN. It was a coin automatic.

Mr. BURLING. Jukebox business, is that right?

Mr. BROWN. That is right.

Mr. BURLING. Now, you are very intimate with the Plaza Amusement Co., is that right?

Mr. BROWN. That is right.

Mr. BURLING. You still have the power to draw checks on their account. Did Plaza acquire Automatic Hostess?

Mr. BROWN. I believe they did, yes.

Mr. BURLING. All right. Now, let's go on, and describe the business relationship between Automatic Hostess and Pioneer.

Mr. BROWN. I don't have any knowledge of that.

Mr. BURLING. Well, now, the testimony last night, Mr. Robinson, would you indicate on the chart and briefly review the testimony of Mr. Nous?

Mr. ROBINSON. The testimony was that from 620 Pine, Uncle John's Tavern, the hostess outlet at that point worked from a terminal box in the basement of the Fullerton Building, where the Pioneer News is located; that terminal was cross-connected to a terminal serving room 1018, which is the room of the Pioneer News. That cross connection was not put on by the telephone company. I think that was Mr. Nous' testimony.

Mr. BROWN. When was that, Mr. Robinson?

Mr. BURLING. Why don't we ask you: When was it, Mr. Brown?

Mr. BROWN. I don't know.

Mr. BURLING. You mean—when did you first learn that the Automatic Hostess Co., which was owned by Plaza, which you have an intimate connection with, had a cross—an illegal, unauthorized wire connection with the phone of Pioneer, which you are the general manager of?

Mr. BROWN. Was I at Pioneer then?

Mr. ROBINSON. December 1949.

Mr. BURLING. Well, let's not fence. When did you first learn it?

Mr. BURLING. Learn what? What do you want to know?

Mr. BURLING. I want to know when you first learned that Automatic Hostess, which is supposed to be, but isn't a music dissemination operation, owned by Plaza, with which you are admittedly very intimate, had an illegal and unauthorized wire connection in the basement of the Fullerton Building with Pioneer, of which you were the general manager?

Mr. BROWN. I don't remember the date of it.

Mr. BURLING. You didn't hear it for the first time last night?

Mr. BROWN. Oh, no, no.

Mr. BURLING. About when would you say you first heard it?

Mr. BROWN. I don't remember the date.

Mr. BURLING. It wasn't in 1951, was it?

Mr. BROWN. No.

Mr. BURLING. How about 1950—it wasn't then, was it?

Mr. BROWN. No; it was in 1949 sometime.

Mr. BURLING. All right. Still in 1949, now, you arranged that jump, didn't you?

Mr. BROWN. No; I don't remember.

Mr. BURLING. Well, who did?

The CHAIRMAN. Speak up. You say you don't remember. Did you or not?

Mr. BROWN. No; I didn't.

Mr. BURLING. Well, who did?

Mr. BROWN. I don't know who did that.

Mr. BURLING. Well, the inference—the inference is perfectly clear, that where you have a system of out-going wires from a central point controlled by Plaza, and one of those wires, instead of sending out music is sending in racing information, and there is a jump over unlawfully placed there in the basement of the building in which you are located, Pioneer has a wire that goes up to 1018 Fullerton Building, which is your office, any reasonable man would suppose that Pioneer had arranged that so as to use that jukebox, supposed jukebox, outfit, to send out racing information and have nothing you can tell this committee about it?

Mr. BROWN. No, sir.

Mr. BURLING. As far as you know, the pixies arranged that wire arrangement?

Mr. BROWN. I don't remember nothing about it.

Mr. BURLING. I quite frankly don't believe you, Mr. Brown. Somebody put those wires—it is a mechanical arrangement—somebody went into the terminal box of Uncle Joe's Tavern—

The CHAIRMAN. Uncle John.

Mr. BURLING. Uncle John's Tavern, and physically fastened a wire or a pair of wires and carried them across to another terminal box and fastened them to the Pioneer wires, and the telephone-company representative has testified that they monitored the wire and instead of music going out, racing information was coming in from Pioneer, and I don't believe you, as general manager, didn't know anything about it. Now, can you tell us anything? Explain it?

Mr. BROWN. I say, I don't remember the set-up.

The CHAIRMAN. Well, just tell us what you know about it, Mr. Brown, and let's get on. You are the general manager, and of course, this got the information out and you have heard about it and what do you know about it?

Mr. BURLING. And I suggest you just testify and not—

Mr. SHENKER. I submit that Mr. Brown has a right to confer with his attorney.

Mr. BURLING. He should have conferred at some time—

The CHAIRMAN. All right, but let's make the conference brief, because we have got to get on.

What is the answer?

Mr. BROWN. To the best of my knowledge to that, I believe my father made that set-up.

Mr. BURLING. In what year was the set-up found, Mr. Robinson?

Mr. ROBINSON. December 1949.

Mr. BURLING. It was found in December 1949?

Mr. BROWN. 1949. No—the set-up was on before that, wasn't it?

Mr. ROBINSON. That was when it was found.

Mr. BROWN. Yes.

Mr. ROBINSON. Didn't indicate how long it had been operating.

Mr. BROWN. Yes; he made it. I knew that he had made it, but I didn't know just what the set-up was.

Mr. BURLING. Now, when did your father die?

Mr. BROWN. He died in July of 1949.

Mr. BURLING. So at least 6 months or approximately 6 months you were general manager, and you knew there was a jumper wire running into this Automatic Hostess business?

Mr. BROWN. I had knowledge of it; yes.

Mr. BURLING. What did you think was happening? Tell us the story.

Mr. BROWN. Well, it was a means of getting out news.

Mr. BURLING. It was, and that is the same time that your regular phones were being cut off due to the efforts of—

Mr. BROWN. Yes, sir.

Mr. BURLING. Excuse me—of Attorney General Taylor—that is right?

Mr. BROWN. Yes, sir.

Mr. BURLING. In other words, when Attorney General Taylor came in and got the courts to direct the phone company to cut out your au-

thorized phones, through your contact with Plaza, you got this supposed juke-box business and were distributing racing information through this jumper wire; is that correct?

Mr. BROWN. That is right.

Mr. BURLING. That is about it, isn't it?

Mr. BROWN. That is about it.

Mr. ROBINSON. Mr. Brown, do you know Mike Guzinni?

Mr. BROWN. Yes, sir.

Mr. ROBINSON. Did you hear testimony here yesterday that he claims you gave him a thousand dollars to reestablish the wire service spot at 3529, the headquarters of the St. Louis Automatic Hostess Co.?

Mr. BROWN. Well, he planned on going into a hostess business of his own.

Mr. ROBINSON. Well, did you loan him money?

Mr. BROWN. Yes, sir.

Mr. ROBINSON. In the amount of—

Mr. BROWN. A thousand dollars.

Mr. ROBINSON. A thousand dollars. Was that later found to be a race news dissemination point?

Mr. BROWN. That never was in operation.

Mr. ROBINSON. Never got that far?

Mr. BROWN. Never was used.

Mr. ROBINSON. Wasn't that the intent when it was set up?

Mr. BROWN. Well, Mike didn't have the knowledge of what it was.

Mr. ROBINSON. You did?

Mr. BROWN. Yes, sir.

Mr. ROBINSON. Mr. Molasky, I want to ask you the names of certain companies here, and ask you if you have an interest therein. The Ace Clocker of Chicago, Ill.

Mr. MOLASKY. I have no interest whatsoever.

Mr. ROBINSON. The Bulletin Record?

Mr. MOLASKY. None whatsoever.

Mr. ROBINSON. Cincinnati Racing Record?

Mr. MOLASKY. No; none whatever.

Mr. ROBINSON. Daily Sport News?

Mr. MOLASKY. None whatever.

Mr. ROBINSON. Triangle Publications?

Mr. MOLASKY. I am a distributor of their publications.

Mr. ROBINSON. Daily Sports Bulletin?

Mr. MOLASKY. I am a distributor of their publications.

Mr. ROBINSON. Illinois Sports News?

Mr. MOLASKY. Distributor of their publications.

Mr. ROBINSON. K. & T. Distributing Co.?

Mr. MOLASKY. I am a distributor of their publications also.

Mr. ROBINSON. When you say you are a distributor, that indicates you have no financial interest in the company itself?

Mr. MOLASKY. That is correct, with any of those.

Mr. ROBINSON. Sportscaster publication?

Mr. MOLASKY. No interest at all.

Mr. ROBINSON. Sports Leader Publication Co.?

Mr. MOLASKY. No interest at all.

Mr. ROBINSON. Mr. Molasky, did you at any time know a Tommie Hayes?

Mr. MOLASKY. Never saw him, never talked to him in my life.

Mr. ROBINSON. Was he an employee of Pioneer News at any time?

Mr. MOLASKY. No, sir.

Mr. ROBINSON. Wasn't he on the payroll of Pioneer News?

Mr. MOLASKY. No, sir.

Mr. ROBINSON. Milford Jones. Do you know a Milford Jones?

Mr. MOLASKY. Maybe the Central News. Now, you are asking about Pioneer News. Are you referring to Pioneer News or Central News?

Mr. ROBINSON. Now, where was he employed?

Mr. MOLASKY. They had him on the payroll in 1933 or 1934 or 1935.

Mr. ROBINSON. Central News?

Mr. MOLASKY. That is right, but he never did get the money at all. That money was never—they had him on the payroll, but he never got no money.

Mr. ROBINSON. Would the same apply to Milford Jones?

Mr. MOLASKY. Yes, sir.

Mr. ROBINSON. Jack Britt?

Mr. MOLASKY. Yes.

Mr. ROBINSON. Pretty Boy Lechler? Willie G.

Mr. MOLASKY. I don't know about him.

Mr. ROBINSON. Those three that you do know, Hayes, Jones, and Britt—

Mr. MOLASKY. Yes.

Mr. ROBINSON. Are they alive today?

Mr. MOLASKY. I never did know them personally. I know them by the names they had on the books but I never did know them personally.

Mr. ROBINSON. Well, do you know as to whether they are alive today or not?

Mr. MOLASKY. I couldn't tell you whether they are alive or dead, I don't know.

Mr. ROBINSON. Did it ever come to your attention they were murdered?

Mr. MOLASKY. I don't pay no attention to whether those people get murdered or not. That is none of my business. I don't know nothing about that.

Mr. BURLING. I have just a closing question. Mr. Brown, you have been for some recent years the general manager of a business which dominates the dissemination of racing information in this area; is that fair?

Mr. BROWN. Yes, sir.

Mr. BURLING. And you—we are not interested in the Sherman Act at the moment, but you have no competitors any more, do you?

Mr. BROWN. Not to my knowledge.

Mr. BURLING. And you have already admitted—I am just trying to establish the point—you already have admitted most of your customers are bookmakers?

Mr. BROWN. To the best of my knowledge, yes.

Mr. BURLING. Bookmaking is illegal in the area which you serve?

Mr. BROWN. That is right.

Mr. BURLING. Now, this committee was directed by the Senate, Senate Resolution 202, to investigate the use of facilities of interstate commerce, which ultimately result in violation of the State law, and in connection with that, obviously the committee is interested in what is

called a race wire service. You served your country in a defense plant during the war, did you not, sir?

Mr. BROWN. Yes, sir.

Mr. BURLING. And you consider yourself an American citizen in good standing?

Mr. BROWN. That is right.

Mr. BURLING. What advice would you give the committee as to how the race wire service can be cut out and bookmaking curtailed?

Mr. BROWN. Well, I wouldn't be qualified to give any advice on that.

Mr. BURLING. It strikes me that you are the best expert in this area.

Mr. BROWN. I couldn't give any advice on that.

Mr. BURLING. You mean, you won't as an American citizen, you won't tell a committee of the United States Senate what you think should be done so that, so this rampant violation of law can be cut down?

Mr. BROWN. I don't think it ever could be eliminated.

Mr. BURLING. Well, what should be done—if not eliminated—to at least alleviate the situation?

Mr. BROWN. Well, I wouldn't know.

Mr. BURLING. But nobody in the—nobody within a radius of a hundred miles knows as much about race-wire service as you do, sir.

Mr. BROWN. I would say the only way that I know it could be really eliminated is to cut out racing.

Mr. BURLING. What about cutting out race wire service in interstate commerce?

Mr. BROWN. If there was no racing, you wouldn't need no race wires—

Mr. BURLING. Supposing there was no race wires?

Mr. BROWN. You kill it right at the source there.

Mr. BURLING. What?

Mr. BROWN. You kill it at the source.

Mr. BURLING. That is one way.

Mr. BROWN. That is the best way.

The CHAIRMAN. You still have basketball and baseball.

Mr. BURLING. Well, leaving out basketball and baseball, let's just take the one thing, your business, you are in business serving crooks; is that right, sir?

Mr. BROWN. I won't say that.

Mr. BURLING. Well, a bookmaker is a criminal, a criminal is a crook; it is as simple as that, isn't it?

Mr. BROWN. No, sir.

Mr. BURLING. It is not. Will you explain why it isn't like that?

Mr. BROWN. Well, I don't think it is, because there is race tracks all over the United States.

Mr. BURLING. I am talking about bookmaking which is illegal in Illinois and Missouri.

Mr. BROWN. Race track is nothing but a large scale bookmaking. They take a commission.

Mr. BURLING. But you don't—you certainly don't furnish information to inside tracks as to what is going on, do you?

Mr. BROWN. No; that was my explanation.

Mr. BURLING. The only bookmakers you sell to are illegal bookmakers, isn't that so?

Mr. BROWN. I assume that.

Mr. BURLING. Very good. So you are in business selling information to crooks about races; right? I can't hear you.

Mr. BROWN. I said, yes, sir.

Mr. BURLING. All right, now, you and I as American citizens both want to stop the activities of crooks, is that right?

Mr. BROWN. That is right.

Mr. BURLING. Now, you are an expert in one particular field of the activities of crooks because you sell business, you sell to them. You are in business with them; is that right?

Mr. BROWN. No; I won't say that.

The CHAIRMAN. All right—

Mr. BURLING. Well, it is self-evident. You have nothing as an American citizen who is obviously the most learned man in St. Louis or East St. Louis about selling racing information to crooks, you will not tell a committee of the United States Senate what should be done?

Mr. BROWN. I say, yes; close up the race tracks. That would be the best way to eliminate it.

Mr. BURLING. Would you vote for that?

Mr. BROWN. Yes. You asked me how to eliminate it.

Mr. BURLING. No; I asked you what you think should be done as an American citizen. Are you in favor of closing the race tracks?

Mr. BROWN. Well, no, I won't make that statement.

Mr. BURLING. Well, short of closing the race tracks what else would you be in favor of doing?

Mr. BROWN. I can't make a statement.

The CHAIRMAN. All right, let's get on—

Mr. ROBINSON. I have some questions with respect to Plaza Amusement, if Mr. Frank is here.

I want to have a little further questions of Mr. Brown.

Mr. BURLING. Thank you very much.

The CHAIRMAN. Wait just a second.

Mr. MOLASKY. Senator, for the record—

The CHAIRMAN. Sit down, Mr. Molasky.

Mr. MOLASKY. In reference to Mr. Robinson's letter regarding Kruse, I want to go on record that I at no time spoke to Mr. Kruse in Florida, at no time did I ask him to sell me his stock, and never discussed anything with him about selling his stock. Why would I be interested in buying his stock when I wanted to dispose of my own?

The CHAIRMAN. That is what you said last night, but he had some other idea about it, Mr. Molasky.

Mr. MOLASKY. He said Kruse said that I asked him to buy his stock. I never spoke to Kruse and never asked him, never talked to him in Florida.

Mr. ROBINSON. Before you leave, Mr. Molasky, I think you want to correct on the record the fact that it is Arthur McBride who is associated—

Mr. MOLASKY. That is right, Arthur McBride.

Mr. BURLING. That is the purported owner of Continental?

Mr. MOLASKY. No, sir.

The CHAIRMAN. Is he the young fellow in school down in Florida?

Mr. MOLASKY. No, sir, that is Edward McBride, Jr. This is Arthur McBride I am referring to.

The CHAIRMAN. And he is the one that has the Yellow Cabs?

Mr. MOLASKY. Yes, sir.

Mr. BURLING. What is the correction of your testimony?

Mr. MOLASKY. Arthur McBride, Jr., instead of M. McBride.

The CHAIRMAN. One other question, Mr. Brown. Do you know when this jumper system was put into effect by your father?

Mr. BROWN. To the best of my knowledge, it was put in, I think, around April '49.

The CHAIRMAN. And then when the phone company found out about it in December, is that when it was, December '49, it went out of business?

Mr. BROWN. That is right.

The CHAIRMAN. Now, how many people were you able to serve through this reverse wire, Hostess wire system, whatever it was?

Mr. BROWN. I think about 8 or 10.

The CHAIRMAN. And then those—did they keep on paying you for that sort of service?

Mr. BROWN. Yes.

The CHAIRMAN. And then some of those 8 and 10 would in turn fan out to other customers, wouldn't they?

Mr. BROWN. Yes, sir.

The CHAIRMAN. These fan-out people, do you get paid by the people who are fanned out, too?

Mr. BROWN. Yes, sir.

The CHAIRMAN. You do?

Mr. BROWN. Yes, sir.

The CHAIRMAN. You understand what I am talking about?

Mr. BROWN. The people that—

The CHAIRMAN. I mean, the second generation. Mr. Robinson, who is that fan-out man there that we have?

Mr. ROBINSON. Vogt, for instance.

The CHAIRMAN. Who, Voge?

Mr. ROBINSON. V-o-g-t.

Mr. BROWN. He works for me.

The CHAIRMAN. V-o-g-t. Then he fans out to about—

Mr. ROBINSON. Six or eight people.

The CHAIRMAN. Those six or eight people pay him or pay you?

Mr. BROWN. No; they pay me. Vogt works for me.

The CHAIRMAN. Are some of them on this list that you read here?

Mr. BROWN. That place is out of existence.

Mr. BURLING. Why aren't the people that Vogt fanned out to on your books?

Mr. BROWN. They are on the books.

Mr. BURLING. Well, would you prepare—

Mr. BROWN. I couldn't specifically tell you which is which until

I—

Mr. BURLING. No.

Mr. BROWN. Check back.

Mr. BURLING. We will be in session 2 hours. I wonder if you could give us a memorandum before we stop. Not now, but just tell us, give us a memorandum at 12 o'clock, if you will, as to how Vogt was fanning

out to and where the payments appear on your books because we have not been able to find them.

The CHAIRMAN. Now, how many other phone—automatic operations do you have like Vogt? You have several?

Mr. BROWN. No, sir.

The CHAIRMAN. He was the only one you had?

Mr. BROWN. He was the only one I was using.

The CHAIRMAN. Only one you were using?

Mr. BROWN. Yes, sir.

The CHAIRMAN. At other times, you would use other ones?

Mr. BROWN. I had another one at 6754 Page.

The CHAIRMAN. What's that?

Mr. BROWN. 6754 Page.

The CHAIRMAN. 6764 Page?

Mr. BROWN. No; 6754.

The CHAIRMAN. Page Street?

Mr. BROWN. Yes.

The CHAIRMAN. Who was that man?

Mr. BROWN. I never had nobody there, but I could use it if I needed it.

The CHAIRMAN. If things got hot up in your office, you could use him to fan out, is that correct?

Mr. BROWN. That is correct.

The CHAIRMAN. You had it all set up with a loud speaker with a lot of telephones coming in?

Mr. BROWN. That is right.

The CHAIRMAN. Who was going to operate that place?

Mr. BROWN. Well, I would have probably moved Vogt there.

The CHAIRMAN. So that is part of the method of having some place away from your office where you can fan it out?

Mr. BROWN. That is right.

Mr. BURLING. Who was Gordon Foster?

Mr. BROWN. He worked for me.

Mr. BURLING. He works for you?

Mr. BROWN. Yes.

Mr. BURLING. What relation is he to Buster Wortman?

Mr. BROWN. To my knowledge, nothing.

Mr. BURLING. Well, where is he?

Mr. BROWN. I don't know. I tried to get hold of him.

Mr. BURLING. Is he on the lam?

Mr. BROWN. I was out of town myself. I just come in yesterday morning and I tried to contact him last night, but I couldn't find him.

Mr. BURLING. Neither you nor I know where he is then? If I tell you, I don't know where he is, then neither of us know, is that right?

Mr. BROWN. That is right.

Mr. BURLING. And he is your employee?

Mr. BROWN. No.

Mr. BURLING. I have no further questions.

Mr. ROBINSON. I have one more question.

The CHAIRMAN. All right, we have to get on, boys.

Mr. ROBINSON. Did Gordon Foster at any time operate a fan-out for the Pioneer News?

Mr. BROWN. Yes; he worked over the river.

Mr. ROBINSON. Across the river?

Mr. BROWN. Yes.

Mr. ROBINSON. Isn't that the original location of the Reliable News?

Mr. BROWN. It was, yes.

Mr. ROBINSON. So after it ceased being Reliable News, it then became a fan-out for Pioneer?

Mr. BROWN. That is right.

Mr. ROBINSON. Operated by Gordon Foster, your employee?

Mr. BROWN. That is right.

Mr. ROBINSON. Who operated originally the Reliable News set-up?

Mr. BROWN. I think Gordon Foster.

Mr. ROBINSON. Gordon Foster was Reliable?

Mr. BROWN. Yes.

Mr. ROBINSON. So on the expiration of Reliable, Pioneer News paid for the furnishings and equipment and thereafter Gordon Foster became your employee operating a fan-out for the Pioneer News?

Mr. BROWN. That is correct.

Mr. ROBINSON. That is all.

Mr. BURLING. That is all, Mr. Chairman.

Mr. ROBINSON. That is all.

You stay around, Mr. Brown and look this book over here.

Mr. MOLASKY. May I be excused, Senator?

The CHAIRMAN. I think we don't want Mr.—

Mr. BURLING. We would like Mr. Brown to come back; I suggest 12 o'clock, Senator.

The CHAIRMAN. Well, let him stay here and look at this book.

Who is next?

Mr. BURLING. James J. Carroll or J. J. Carroll.

The CHAIRMAN. I understand—is Captain Wren and some member of the police department here that were going to identify certain records?

Is Mr. Carroll here, Mr. Shenker?

Mr. SHENKER. Should be here within the next half hour, Senator.

The CHAIRMAN. All right, Captain Wren, you and Mr.—are you Captain Wren? What is your name, sir?

Mr. POWELL. Sergeant Powell.

#### TESTIMONY OF CAPTAIN WREN AND SERGEANT POWELL, CITY OF ST. LOUIS

The CHAIRMAN. You gentlemen solemnly swear the testimony you give will be the whole truth and nothing but the truth, so help you God?

Mr. POWELL. Yes, sir.

Captain WREN (nodding).

The CHAIRMAN. Sergeant Powell?

Mr. POWELL. William Powell.

The CHAIRMAN. Sergeant Wren, I mean, Captain Wren, you are the head of what?

Captain WREN. Gambling Division.

The CHAIRMAN. Gambling Division.

And Mr.—Sergeant Powell with you, your assistant. The primary purpose we wanted to call you was to identify certain records of arrest that Mr. Burling had here. Who can identify them?

Mr. BURLING. You examine that and see if it is a record of the St. Louis Police Department. There are two more, Sergeant, if you will.

The CHAIRMAN. All right, gentlemen, can you identify them?

Captain WREN. That is right.

The CHAIRMAN. Let them be filed as exhibits to Captain Wren's testimony.

Mr. BURLING. Just hand them to the reporter, please.

(The documents referred to are identified as exhibit No. 49, and appear in the appendix on p. 805.)

The CHAIRMAN. Go ahead.

Mr. BURLING. Mr. Chairman, the staff has prepared a memorandum of what appears to the staff to be gang murders in the area, which I would like to read into the record, and ask Captain Wren to interrupt me at any point where I, if I say anything that is not in accordance with his information, and of course, Captain, this isn't all within your police jurisdiction.

Captain WREN. No, sir.

Mr. BURLING. So I am asking you only, if there is anything that you know is wrong or you want to correct or amplify. You aren't responsible for it.

Captain WREN. No.

Mr. BURLING. Nor for that matter, Mr. Chairman, am I. This is a staff memorandum prepared here. [Reading:]

At the close of World War I, all areas—

The CHAIRMAN. Now, Mr. Burling, I see this thing is about 10 pages long.

Mr. BURLING. Supposing we just put it into the record and make it available to the press?

The CHAIRMAN. Would it be possible for Captain Wren and Sergeant Powell to go over it and see if they—and then testify that it is substantially correct according to their information?

All right, go ahead and let's see how we do. I hate to take up all this time.

Mr. BURLING (reading) :

At the close of World War I, all areas of the Midwest proved to be lucrative for the furtherance of gangland activities because of the advent of prohibition.

And I will skip this historical matter.

At this time St. Louis housed five gangs of major importance: the Hogan gang; the Egan rats; the Cuckoo gang; and the Green Dagoes, a group of Sicilians and a gang of American born Italians. Central and southern Illinois furnished two major gangs: the Shelton gang and the Birger gang.

During the twenties, open vicious gang warfare raged between the various gangs and subdivisions of these gangs and reached a peak in bloodiness unparalleled in United States crime history. The center of the Illinois war was in the coal mining districts of that State and the center of the war was in Williamson County which finally became to be known as Bloody Williamson County.

Charles Birger, who headed the Birger gang, had been reared in the coal-field district of Saline County, Ill. After serving in the Army, Birger became a leading bootlegger of that area. Birger then moved to Williamson County and soon joined forces with the Sheltons.

The Shelton gang was headed by Carl Shelton who, with his brothers, Earl and Bernie, started the bribing of public officials in Illinois and ultimately controlled all of the bootlegging and organized gambling in Illinois, save Cook County.

At one time or another, the three Shelton brothers were charged with everything from murder, bank robbery, assault to murder, conspiracy to violate the NPA, kidnaping, mail robbery, and a multitude of lesser offenses including violating the Mann Act.

In 1923, the Ku Klux Klan became an active political influence in southern Illinois and was Shelton's and Birger's natural enemy. The Klan was headed by S. Glen Young, a southwestern desperado. In less than 6 months, the Williamson County coroner filed verdicts of 153 cases of death from unknown causes or by person or persons unknown.

The CHAIRMAN. Mr. Burling, I think—I want to ask—read off the list of the unsolved murders and then let Captain Wren and Mr. Powell have this memorandum and go over it and see if they have some information that substantiates it or if that is what they think the situation is. Would that be satisfactory?

Captain WREN. Yes, sir.

Mr. BURLING. Well, I will skip the history which I assume is familiar to many people of the bloody gang wars of the prohibition era and come to a section entitled: "Gang Murders, 1930-50," compiled in November 1950, and if Captain Wren has any information on it, on anyone, I would ask him to interrupt me and as I understand it, none of these murders have ever been solved. That is, solved by conviction of [reading]—

January 17, 1930: Ray Weaver, a member of the notorious Pillow Gang, was shot six times in the back and killed by Carmelo Fresina, leader of the gang.

I will skip the details of that.

The CHAIRMAN. Give the date and the name.

Mr. BURLING [reading]:

March 19, 1930: Angelo Clementi—he was lured from his Collinsville home and killed by two men.

October 2, 1930: Peter McTigue, Cuckoo gangster, and William E. Boody, former business agent of the East St. Louis plumbers union, were killed. Sam Therina and Joe Moceri were wounded in a machine gunning of a still. James Dormondy, a Cuckoo gangster, escaped. The men were sleeping in a shack in the area.

October 19, 1930: The body of Charles J. Phayer, East Side resort owner was found in the weeds. He has 10 bullets in his body.

November 7, 1930: James (Wingy) Cox, a Cuckoo gangster, was wounded, and the machine gun was found in the home of Lester Barth that was used in the attack.

Now, November 22, 1930: Lester Barth and Dewey Goebel, the two of them were known as "Me and You"—they were murdered by machine gunners.

December 16, 1930: Joseph Wojewodka, known as Scarface Joe Woods, was killed by men who fired through a window and hit him six times.

December 19, 1930: Louis (Always Broke) Mulconry was shot.

January 7, 1931: Leo Orlando, a Cuckoo gangster, Isadore Katz, also associated with Cuckoo gang, were murdered.

February 10, 1931: Mrs. Bessie Lynam and Mrs. Dorothy Evans were killed in connection with gang activities.

February 2, 1931: The bodies of David Hoffman, Joseph Carroll—he was a former policeman, gambler, and incorporator with Bernie Shelton of the Red Top Taxicab Co. and Theodore Kamanski—their bodies were found in a ditch. It appeared that they had been killed.

The CHAIRMAN. Read the address and the names. All right, go ahead.

**Mr. BURLING (reading):**

They were killed in Ralph (Wide-Open) Smith's gambling flat at 330 East Broadway, East St. Louis.

On May 8, 1931, the body of Carmelo Fresina, leader of the Pillow gang, was found in his automobile near Edwardsville.

August 30, 1931: William J. Fleming, a bootlegger, and William J. Shannon, his partner, were wounded with a pistol, machine gun, and shotgun.

December 28, 1931: Charles Dawson was murdered in downtown Springfield following an invasion of the Illinois capital by St. Louis Italian mobsters headed by Vito Impastato and the late Frank Agruso of the Green gang.

March 24, 1932: Joseph Colone, a former Madison County deputy sheriff—he was machine gunned at the northern edge of St. Clair County.

April 15, 1932: Tommie Hayes was machine gunned near Granite City. Pretty Boy Lechler and Conrad "Willie G" Wilbert, his bodyguards, were murdered in Madison. It is supposed that this is a Shelton gang killing.

July 17, 1932: Floyd Miller, who was allied with a "new" Cuckoo faction, was shot and killed on Christopher Road in the southeast corner of St. Louis County.

August 10, 1932: There were bombings. Oliver Alden Moore was hit 27 times with machine gun slugs.

This memorandum doesn't say whether he survived that or not. I presume not.

The CHAIRMAN. He died.

Mr. BURLING. He died. [Reading:]

November 2, 1932: Homer DeHaven was found dead near Horseshoe Lake in Madison County.

January 25, 1933: John Buhlinger, a member of a St. Louis, Jefferson County, liquor gang, was found dead in a field. He had been shot nine times.

June 27, 1933: Dan Maddalino was shot and killed in the presence of the way, of a State policeman. This shooting followed the machine gunning of one Louis Colone's bar by a half hour, and Maddalino's brother had been murdered in 1928 and Colone's brother Joe had also been murdered.

September 10, 1933: James (Wingy) Cox was killed in a saloon at 800 Park Avenue. He didn't die immediately, and while he was dying, he refused to identify his murderer.

September 20, 1933: Leo Burke, of the Cuckoo gang, was shot and seriously wounded.

January 21, 1934: A machine gun was found which related to an Illinois killing in the possession of Joseph Tatman.

May 12, 1934: John C. Johnson was murdered in a machine gunning at the home of Harry Newbold, deputy sheriff.

October 26, 1936: George J. Appleton was found shot to death near Florissant, St. Louis County.

July 14, 1937: John J. Dunn was killed with a shotgun blast.

March 5, 1938: Leo W. (Little Caesar) Quick was killed. He was shot five times.

June 28, 1938: Thomas Cox, a younger brother of the former Cuckoo gangster, was shot and killed.

September 19, 1938: Arthur (Two-Gun Artie) Schading, was shot and killed.

June 25, 1941: Charles L. (Cutie) Bailey, a race track attaché, was murdered. Style of murder is not indicated.

February 17, 1943: William P. (Dinty) Colbeck, was machine gunned in his automobile.

December 7, 1943: Harley Grizzell and Norman Farr were machine gunned.

March 3, 1944: Timothy Cronin was wounded four times by men in an automobile. The police had already been advised. In fairness, we should say that this is not the city policeman. That Cronin who was in fact shot four times was a clay pigeon. That is supposed to have been in relation to a pinball rivalry.

In 1944, Ray Walker was shot and wounded.

September 29, 1944, an unidentified man was killed at a gambling casino called the Club Royal near Belleville. It is thought that he was Patrick Hogan. Apparently the body couldn't be identified. Body found in an abandoned mine pit.

December 13, 1944: Monroe (Blackie) Armes was shot and killed.

December 30, 1944: Timothy Cronin—he was wounded apparently. He was only shot nine times.

March 16, 1945: We find the body of Wyncil Urban in a ditch at Kankakee. He had been strangled; his lips had been taped and his body bound with baling wire. He was allegedly a muscle man for the Wortman gang that had just recently been formed.

July 16, 1945: Miss Kathryn Morrison, was a waitress for Bess Newman, was killed with a shotgun in a tavern in Madison, Ill. This, by the way, is the same tavern in which Joseph Callahan had been wounded the week before, and the same deceased lady was in the Club Royal the night that Mr. Hogan had been killed.

October 28, 1945: The bodies of George Tyson and Ethel Sparks found in a shallow grave. Both had been shot and Miss Sparks had been strangled and stabbed.

Then, November 22, 1945: Howard W. Kaers and Fabian DeClue—their bodies were found in a parked automobile, dead of shotgun wounds.

January 4, 1946: Lawrence W. Brewer was shot, shotgun and a pistol.

January 7, 1946: Robert J. Carroll—

The CHAIRMAN. Mr. Burling, all these will be printed in the record. Let's just get the address and the names if we can.

Mr. BURLING. Yes, Mr. Chairman.

February 20, 1946: Frank Kraemer—I think the style of the shooting—

The CHAIRMAN. All right. Well—

Mr. BURLING. Show it is a gang.

The CHAIRMAN. I assume they were all gang shootings.

Mr. BURLING. That is our information. He was machine gunned. [Reading:]

September 20, 1946: Joel Nyberg.

October 25, 1946: Philip Stumpf was shot.

April 24, 1947: Ray Dougherty's body was found.

October 23, 1947: Carl Shelton was shot.

July 26, 1948: Bernie Shelton was killed.

August 9, 1948: Leonard Giordano was shot.

The last two are allegedly Shelton gang war killings. [Reading:]

October 2, 1948: James V. Moncado was shot.

May 24, 1949: Big Earl Shelton was shot and wounded.

September 9, 1949: Little Earl Shelton was shot eight times.

April 6, 1950—

Well, that is Binaggio. That is already in the record.

May 22, 1950: Big Earl Shelton was wounded.

June 5, 1950: Little Earl Shelton was wounded again.

June 7, 1950: Roy Shelton was killed.

September 18, 1950: Leo Brothers was wounded.

September 24, 1950; Roy Arnes, allegedly of the Capone gang, and one of Buster Wortman's lieutenants was killed.

The rest of this is background.

The CHAIRMAN. All right, let it be made a part of the record.

(The document referred to was marked "Exhibit No. 50," and appears in the appendix on p. 812.)

The CHAIRMAN. Go ahead.

You gentlemen have some information about these, Captain Wren?

Captain WREN. I have heard of them, but as to who committed the murders or anything like that, I am not aware of it. There is some—

Mr. BURLING. Mr. Chairman, in—I think we ought to go out of our way to be fair to the police department. It is not—I didn't prepare

this list I read over, but I do understand that this list includes a hundred mile radius of the city and not—

The CHAIRMAN. Oh, yes, that is understood. It is not—I think very few of these were in St. Louis, and I have heard very good things about Captain Wren and I think generally the police department here is well-directed and seems to be well-run, so that wasn't intended to be casting any aspersions at the St. Louis Police Department.

Mr. BURLING. I think if the list proves anything, Mr. Chairman, it proves there was a good deal of blood flowing across the river in various places for a number of years.

The CHAIRMAN. All right, anything else?

Mr. BURLING. No. If these gentlemen—

The CHAIRMAN. Captain Wren, I wanted to ask one or two questions of you or Mr. Powell. Pretty well gotten the slot machines out of this county or out of St. Louis County?

Captain WREN. Just at this time, we know of none that is in the city of St. Louis.

The CHAIRMAN. How about the pinball difficulty?

Captain WREN. We have the pinballs in St. Louis; yes, sir.

They don't become a gambling device until after we get a pay-off.

The CHAIRMAN. Do you have much trouble, though, with operators of pinballs, that is, they win, the house pays them off over the counter in some cases?

Captain WREN. The proprietor of the place is the one that pays off.

The CHAIRMAN. What's that?

Captain WREN. The owner of the place of business is the man that pays off, if a pay-off is made.

The CHAIRMAN. You know whether that happens frequently or—

Captain WREN. Some has them in their place for amusement and some has them in there to pay-off. Some of them, you have to be known to the owner of the place. Our officers get in and get in there and get a pay-off and we seize the machine as soon as the pay-off is made.

The CHAIRMAN. You have a practice—you do seize the machine?

Captain WREN. Yes, sir; and we destroy it.

The CHAIRMAN. And then book the offender for—

Captain WREN. Setting up and keeping a gambling device.

The CHAIRMAN. Have you had many arrests or many cases of seizure and destruction of these machines?

Captain WREN. Yes, sir; we have had 39 cases that went to court, and the defendants did not stand trial. They plead guilty, and take the fine that is assessed on them.

The CHAIRMAN. Thirty-nine cases in how long?

Captain WREN. In the last 2 years—40 machines.

The CHAIRMAN. Now, that doesn't carry a jail sentence? It just—

Captain WREN. No; they plead guilty and take a fine of a hundred and fifty, and sometimes a hundred. It is all according to what the judge assesses them.

The CHAIRMAN. Do you have an association here that operates the—or rather that directs the policies of the pinball operators?

Captain WREN. They are put in by a number of people. The owners of the places of business, some tells us that they only got a night number to call and they won't divulge that or who installs the machine, and in five instances, we had—they mentioned the Plaza Novelty Co., and in one instance, they mentioned the McCall Novelty, and then other ones named the different people that install them.

The CHAIRMAN. What I meant was, do they have a trade association; in New Orleans, for instance, a larger part of the pinball operators belong to an association and they—the purpose of this association is apparently to furnish legal counsel and also furnish means through which political contributions could be made.

Captain WREN. We know nothing.

The CHAIRMAN. Is there such an organization here?

Captain WREN. We know nothing about their political connections or anything like that. The only thing we know, that they call certain people and the people furnishes a bond.

The CHAIRMAN. Which is the largest supplier of pinball machines in St. Louis County?

Captain WREN. Well, that would be hard for me to say, who is the largest one to furnish them, because there are different ones, has different people that furnish them.

The CHAIRMAN. Is the Plaza Amusement Co. one of the substantial ones?

Captain WREN. Well, it is a large one, but I couldn't tell you whether or not it is the largest one.

The CHAIRMAN. Now, Captain Wren, how about the matter of licenses for operators like C. J. Rich and what not. Is that in your province to check up and see whether they have licenses?

Captain WREN. We handle that, but that took place in the county. That was out on St. Charles Rock Road. That is outside the jurisdiction of the city of St. Louis. It is in the county, although we handled part of that through an order through our officials of the police department, with arrangements of the Governor.

The CHAIRMAN. Then, you have no jurisdiction over his license, what license he has?

Captain WREN. No, that would be up to the county to look into that.

The CHAIRMAN. What sort of license does Pioneer News have?

Captain WREN. Well, I don't know. I couldn't tell you what kind of license they have.

The CHAIRMAN. You know, Sergeant Powell?

Sergeant POWELL. The license, I don't know of any license Pioneer has. The Rich company had a merchant's license on display at 7203 St. Charles Rock Road.

The CHAIRMAN. Merchant for what?

Sergeant POWELL. It was the Gold Bronzing Co.

The CHAIRMAN. Gold Bronzing Co.

Sergeant POWELL. Issued on November the 1st, 1949, and they paid \$36.80 as vendors. That address, 7203 St. Charles Road. Issued by William V. Benson, collector of St. Louis County.

The CHAIRMAN. Whose duty is to see, first, if they have a license and, second, if they have the proper license?

Captain WREN. That would be up to the county; that is not in our jurisdiction.

The CHAIRMAN. That is not in your jurisdiction.

Sergeant POWELL. No, sir.

The CHAIRMAN. Doesn't the city require some kind of licenses of people like Pioneer, or do you know?

Sergeant POWELL. That I don't know.

Captain WREN. Don't know.

Sergeant POWELL. We have never personally investigated Pioneer because we have no law that we could prosecute Pioneer under.

The CHAIRMAN. What is your big problem here, Captain Wren, and what recommendations do you want to make? You have a very fine reputation as a police officer, all I have heard.

Captain WREN. Well, our duties is for to suppress the gambling as near as possible. We handle the handbooks and any nature of gambling. So far any place, we have kept our hearing, or any of our officers observed it, we took actions soon as and try to eliminate it.

The CHAIRMAN. Numbers is the main thing you have had—bookies and operations of that sort?

Captain WREN. Well, we have the lottery; that is the policy. We have the handbooks, and we have weather tickets, and we have the pinball machines.

Mr. BURLING. That phrase is known to be weather tickets?

Captain WREN. Weather tickets. It comes under the nature of the lotteries.

The CHAIRMAN. You mean, betting on the weather?

Captain WREN. Betting on the weather, yes, on the numbers of the temperature of the weather.

The CHAIRMAN. You have much basketball lottery business?

Captain WREN. We have it. It comes to our notice when we—like raid on handbook place.

The CHAIRMAN. You have some basketball pools operating off and on in St. Louis?

Captain WREN. You mean right at the—when the game is being conducted at the place?

The CHAIRMAN. No, I mean at some cigar place.

Captain WREN. We have the cards; yes.

The CHAIRMAN. Or saloons?

Captain WREN. We have the cards; yes.

The CHAIRMAN. All right. Excuse me, Mr. Burling. Do you have some questions?

Mr. BURLING. I have two topics I would like to ask about briefly. Captain. It's been our experience in other cities that numbers, the number system runs up in a hierarchy. You have fellows writing the numbers or policy and other people take, collecting their bets, taking them to still higher people, and finally, you have somebody way up at the top. Without naming names, would you agree that that is the way the system works here?

Captain WREN. Well, all I can tell you is on the cards and—

Mr. BURLING. No. I ask you for your opinion as a police officer, not specifically; just generally.

Captain WREN. I couldn't form no opinion on that, unless I knew it, definitely, and I couldn't give you no answer on that.

Mr. BURLING. Have you raided James J. Carroll in the past week?

Captain WREN. We have.

Mr. BURLING. Tell us about that raid, will you?

Captain WREN. We raided it at 53—5346 Wabada. It was at the Forest Park Hotel.

Mr. BURLING. The what?

Captain WREN. The Forest Park Hotel.

Mr. BURLING. Who owns the Forest Park Hotel?

Captain WREN. I couldn't tell you right offhand who owns it, because it didn't lead into that. It moved out of that before we got a chance to get in there for the raid, and then it moved from there to the Kingsway Hotel, when we had it under observation for the purpose of raiding it, it moved from there to 5364 Wabada.

The CHAIRMAN. Who owns the Kingsway Hotel: do you know that?

Captain WREN. No, offhanded, I can't tell you who owns it.

The CHAIRMAN. They moved to Wabada?

Captain WREN. Yes, sir.

The CHAIRMAN. All right.

Mr. BURLING. What did you find when you went in on the raid?

Captain WREN. We found a set-up handbook in there, three telephones, two women and a man in there. One of the women was June Collins, the other woman was Victoria Campbell, C-a-m-p-b-e-double l. She claimed to be the owner of the premises, and we found a Walter Smith, who claimed to be one of the clerks in the handbook, and the both of them admitted that they were working for Mooney and Carroll.

The CHAIRMAN. What happened to him?

Captain WREN. The report is being prepared right now to be presented to the grand jury for indictments.

Mr. BURLING. It's appeared in the newspapers that Mr. Carroll went out of business sometime ago. Your information, I take it, would be to the contrary?

Captain WREN. Well, as for anybody going out of business, we can't decide as to it because they, all of them says they go out of business and they pop up the next day or 3 or 4 days afterward.

Mr. BURLING. That is what I meant.

Captain WREN. That is right.

Mr. BURLING. I have no further questions, Mr. Chairman.

The CHAIRMAN. Anything else you want to add, Captain Wren?

Captain WREN. That is all I could say.

Mr. ROBINSON. I think at this time, Mr. Chairman, there should be a notation that in testimony in Washington, D. C., Rosedale 3542, listed to the Basket Advertising Co. at the Kingsway Hotel, was one of the numbers used by Mr. Uvanni, and he so testified.

The CHAIRMAN. Who was a come-back man: is that what you call—

Mr. ROBINSON. And that is the address referred to just now by Captain Wren.

The CHAIRMAN. All right. Let that notation be made.

Mr. BURLING. We might explain, a come-back man is a man that bets for a betting commissioner or bookie at a track.

The CHAIRMAN. Yes, I am sure of it—such men as Mr. Leahy and others know about that.

Mr. BURLING. Yes, Mr. Chairman.

The CHAIRMAN. That is all, thank you, Captain. Thank you, Sergeant.

Is Mr. Dolph Fisher here? Will you come around, sir? No—I meant, well that is all right, while you are here, Mr. Fisher.

Do you solemnly swear the testimony you will give the committee will be the whole truth, and nothing but the truth, so help you God?

Mr. FISHER. Yes, sir.

#### FURTHER TESTIMONY OF ADOLPH FISHER, FORMER SHERIFF OF ST. CLAIR COUNTY, ILL.

The CHAIRMAN. Mr. Fisher, you were sheriff of St. Clair County?

Mr. FISHER. Yes, sir.

The CHAIRMAN. When did your term expire?

Mr. FISHER. 1950.

The CHAIRMAN. 1950. Now, Mr. Fisher, you have heard—when did your term begin?

Mr. FISHER. 1946. December the 7th, I think, or 6th or 7th of 1946.

The CHAIRMAN. What is the duty of the sheriff?

Mr. FISHER. Well, to enforce the law.

The CHAIRMAN. The law of the State in the county in which you have jurisdiction?

Mr. FISHER. That is right.

The CHAIRMAN. You have heard the testimony about numerous bookie operations operating in St. Clair County; about C. J. Rich having an office over there, or about Mooney-Carroll operations. What did you do to cut it down?

Mr. FISHER. I didn't know anything about it.

The CHAIRMAN. Why did you let it operate?

Mr. FISHER. I had no knowledge of it.

The CHAIRMAN. Didn't have any knowledge that Mooney and Carroll had a big office at a well-known address over there?

Mr. FISHER. No, sir.

The CHAIRMAN. When did you first learn about it?

Mr. FISHER. Well, I learned about it when this investigation went on.

The CHAIRMAN. Well, what did you do about it then?

Mr. FISHER. Well, I—in fact, I didn't know where the place was, the office was.

The CHAIRMAN. Well, sir, the first hearings were in April 17, 1950, before the Interstate—before the Interstate and Foreign Commerce Committee of the Senate. Shortly after that, Mr. Carroll testified himself about where he operated. The Interstate and Foreign Commerce Committee got out a list of Western Union—or I mean of Continental Press drops, listing many, many of them in your county.

Did you investigate those?

Mr. FISHER. Which ones you mean? I don't understand.

The CHAIRMAN. Sir?

Mr. FISHER. I didn't quite understand your question.

The CHAIRMAN. I say, when this matter came out in the newspapers back in April of 1950, about Mr. Carroll testifying where he operated in St. Clair County, giving the address, did you make any investigation then?

Mr. FISHER. Yes, I sent a deputy up there, but there was nobody there; it was closed.

The CHAIRMAN. You didn't close the operation down?

Mr. FISHER. There wasn't anything—anybody operating there at the time.

The CHAIRMAN. Well, they were operating there when we came here in July, 19—the latter part of July 1950, and our investigators went out and served subpoenas on them and brought them over here.

Mr. FISHER. I had no knowledge of that.

The CHAIRMAN. Why were you not able to do anything about it?

Mr. FISHER. I don't remember—I had no knowledge of it.

The CHAIRMAN. I know; but I am telling you what happened. George White, who was with our staff, and someone else went right out to the address, and in July 1950, after this information had come out, served subpoenas on a fellow who had the board, I think a Miss Forrester—Miss Forrestal—and other people, and at that time, there were 15 or 20 people working right there, with the boards up, marking up the races, all sorts of information, books and records, which were brought at that time.

Did you—is that all you did, just send a deputy down and he reported there was nobody there?

Mr. FISHER. That is right.

The CHAIRMAN. When did you send him, at nighttime or in the daytime?

Mr. FISHER. I don't remember. I just ordered him to go down there.

The CHAIRMAN. Did you make any other effort to see about the place after it came out in the testimony in July 1950 that they were operating?

Mr. FISHER. No, I didn't; because as a rule I don't pay much attention to the incorporated areas.

The CHAIRMAN. That is your duty to; isn't it?

Mr. FISHER. Yes, but I don't have enough manpower to handle that.

The CHAIRMAN. How many manpower do you have?

Mr. FISHER. About six.

The CHAIRMAN. Six deputies for one county?

Mr. FISHER. Six deputies. Well, I have more than that, but most of them are working bailees—I would say about 24 altogether, but they are bailors and the jail.

The CHAIRMAN. Now, you remember that when the Reliable News Service came in and over in St. Clair County?

Mr. FISHER. No, I don't.

The CHAIRMAN. When they started up a competitive news service over there to Pioneer in St. Louis.

Mr. FISHER. No; I don't remember that.

The CHAIRMAN. You don't know anything about that?

Mr. FISHER. No, sir.

The CHAIRMAN. You don't know that certain people, allegedly of the Capone gang, started up a news service?

Mr. FISHER. No, sir.

The CHAIRMAN. And then that when it consolidated with the Pioneer over here, they continued to fan out racing news and betting news to several places in St. Clair County?

Mr. FISHER. No, sir; I didn't know that.

The CHAIRMAN. Did you ever raid a bookie in your life over there?

Mr. FISHER. Yes, sir.

The CHAIRMAN. Where?

Mr. FISHER. In East St. Louis.

The CHAIRMAN. Who?

Mr. FISHER. I—a fellow by the name of Kelly.

The CHAIRMAN. How many times did you ever arrest a bookie?

Mr. FISHER. Well, that was the only time.

The CHAIRMAN. You were in 4 years?

Mr. FISHER. Yes.

The CHAIRMAN. And you got two of them; is that right?

Mr. FISHER. Two of them. I raided that place out there, in Fairmount.

The CHAIRMAN. What place?

Mr. FISHER. I don't know, it was called Melborough or something like that.

The CHAIRMAN. Well, now, who is the chief of police at Fairmount?

Mr. FISHER. I don't know him.

The CHAIRMAN. You don't know him?

Mr. FISHER. No, sir.

The CHAIRMAN. You mean you are the shieriff of the county and don't know the chief of police of a city in the county?

Mr. FISHER. No, just at the minute, I don't know; I can't remember his name.

The CHAIRMAN. Well, is Mr. Vickery the chief of police or was the chief of police out there?

Mr. FISHER. I can't say for sure.

The CHAIRMAN. Where is Mr. Vickery? Do you know Mr. Vickery?

Mr. FISHER. No, I don't know him.

The CHAIRMAN. Never heard of anybody by the name—a chief of police named Vickery?

Mr. FISHER. Not to the best of my knowledge; no.

The CHAIRMAN. Was he in Fairmount County? He testified before our committee. I mean, in Fairmount City. Don't you know, Mr. Fisher, that Mr. Vickery was the chief of police in Fairmount City and it developed that he had a tavern and that his tavern he had a bunch of slot machines? Did you look into that?

Mr. FISHER. I don't know anything about it.

The CHAIRMAN. That was stated publicly at the end of our session here last July 1950.

Mr. FISHER. I don't remember.

The CHAIRMAN. Mr. Fisher, how can you enforce the law when you do not even know the chief of police of one of the incorporated cities?

Mr. FISHER. Well, I think he was a newly appointed chief up there; wasn't he?

The CHAIRMAN. I don't know. Anyway at that time he was also in the slot machine business?

Mr. BURLING. In fairness, Mr. Chairman, his wife was.

The CHAIRMAN. Well, I mean his wife; he gave her the money to go into the tavern business, and they lived above the tavern and had slot machines downstairs.

Are you a part of this bipartisan effort over there, Mr. Fisher?

Mr. FISHER. No, sir.

The CHAIRMAN. I mean, everybody get together and decide who they are going to elect?

Mr. FISHER. No, sir.

The CHAIRMAN. You are a pretty smart businessman: aren't you?

Mr. FISHER. Well, I don't know whether I am or not.

The CHAIRMAN. Well, don't you have an interest in a brewery?

Mr. FISHER. Yes, sir.

The CHAIRMAN. Where is that?

Mr. FISHER. Belleville, Ill.

The CHAIRMAN. What county is that in?

Mr. FISHER. St. Clair.

The CHAIRMAN. Are you an officer of this brewery?

Mr. FISHER. I am general manager.

The CHAIRMAN. General manager?

Mr. FISHER. Yes.

The CHAIRMAN. How big a brewery is it?

Mr. FISHER. About 100,000 barrels.

The CHAIRMAN. Do you sell mostly in St. Clair County?

Mr. FISHER. The biggest part of it: yes.

The CHAIRMAN. Do you sell to taverns or do you sell to brokers who distribute?

Mr. FISHER. Both.

The CHAIRMAN. You sell to taverns?

Mr. FISHER. We sell to taverns in Belleville and we sell to brokers outside Belleville.

The CHAIRMAN. But the bigger part of your product is sold right there in St. Clair County?

Mr. FISHER. Yes.

The CHAIRMAN. Didn't you believe it is a little inconsistent for the chief law enforcement officer of the county to be doing business with and wanting to curry the favor of tavern owners, selling them beer that you manufacture?

Mr. FISHER. I was not at that time; this is before I took office, I was out there.

The CHAIRMAN. Well, when did you take office?

Mr. FISHER. In 1946.

The CHAIRMAN. You were still there in 1946, sir, according to your own records; weren't you? When did you sell your interest in the Star Peerless Brewery?

Mr. FISHER. I did not sell my interest. I only have a certain amount of stock.

The CHAIRMAN. Well, you own the controlling interest in it; don't you?

Mr. FISHER. Oh, no, no; I do not own it.

The CHAIRMAN. It pays you about \$6,500 a year, doesn't it?

Mr. FISHER. Yes, sir.

The CHAIRMAN. Or something like that. You were the general manager: are you still an officer of it?

Mr. FISHER. No.

The CHAIRMAN. You are not on the board of directors?

Mr. FISHER. No, sir.

The CHAIRMAN. You are just one of the principal stockholders?

Mr. FISHER. Well, I would not call it a principal stockholder.

The CHAIRMAN. How many shares of stock do you have?

Mr. FISHER. Fourteen hundred shares approximately.

The CHAIRMAN. Fourteen hundred; how many shares are there?

Mr. FISHER. Outstanding?

The CHAIRMAN. Yes.

Mr. FISHER. Eighty-eight thousand.

The CHAIRMAN. Eighty-eight thousand?

Mr. FISHER. Yes.

The CHAIRMAN. Does it pay you a dividend every year?

Mr. FISHER. Not every year; no. It has not in the last few years.

The CHAIRMAN. When did you go out as general manager of the Star Peerless Brewery Co.?

Mr. FISHER. I went out in February 1946, I think, or 1947.

The CHAIRMAN. 1947, wasn't it?

Mr. FISHER. 1947; yes.

The CHAIRMAN. You were still general manager when you were sheriff?

Mr. FISHER. No, no. I was general manager for 2 months after I was sheriff.

The CHAIRMAN. What is this Artesian Bottling Co.?

Mr. FISHER. Artesian, that belongs to me and my brother. It is a partnership.

The CHAIRMAN. What do they manufacture?

Mr. FISHER. Soda water.

The CHAIRMAN. Who is the other partner?

Mr. FISHER. My brother.

The CHAIRMAN. Do you still run that?

Mr. FISHER. Yes, sir.

The CHAIRMAN. You mean you made colored soda and fizzy water, things of that sort?

Mr. FISHER. A regular line, full line of soda water.

The CHAIRMAN. You sell that to taverns, too, don't you?

Mr. FISHER. Taverns, grocery stores.

The CHAIRMAN. Everywhere?

Mr. FISHER. Everywhere.

The CHAIRMAN. How about the slot machines in St. Clair County?

Mr. FISHER. I do not know of any being in St. Clair County.

The CHAIRMAN. You do not know of any. Now, you say you do not know John Vickery, police chief, Fairmont City, Ill.?

Mr. FISHER. No, I do not know him.

The CHAIRMAN. You do not know him?

Mr. FISHER. No, sir.

The CHAIRMAN. Well, he testified before us last August, and his testimony will be made public. You did not know that he and his wife had a tavern in the county?

Mr. FISHER. No, sir.

The CHAIRMAN. And that he had slot machines in the tavern?

Mr. FISHER. No, sir.

The CHAIRMAN. What gambling places did you ever close down?

Mr. FISHER. I do not know of any gambling places over there.

The CHAIRMAN. Did you ever close up Vic Doyle?

Mr. FISHER. Vic Doyle was not running.

The CHAIRMAN. Never was running?

Mr. FISHER. No.

The CHAIRMAN. You heard Mr. English's testimony that he was running, the last 4 or 5 years.

Mr. FISHER. Not while I was sheriff, not to the best of my knowledge.

The CHAIRMAN. How many gambling places did you ever close up?

Mr. FISHER. Well, there weren't very many to close up that I know of.

The CHAIRMAN. You just never could find any. Did you look for any?

Mr. FISHER. I would have in the county; yes.

The CHAIRMAN. Now, you have gone back in as the general manager of the brewery, haven't you?

Mr. FISHER. Just done it; yes.

The CHAIRMAN. This last week?

Mr. FISHER. Yes.

The CHAIRMAN. Is that correct, so that when you went out you really had someone hold over until you got back out of public life to take over the brewery?

Mr. FISHER. Well, not necessarily.

The CHAIRMAN. Anyway, it was understood if you got out as sheriff?

Mr. FISHER. It was not understood; no.

The CHAIRMAN. But it worked out that way?

Mr. FISHER. That is right.

Mr. BURLING. Sheriff, in connection with your enforcement of the law, are you aware that the hearings of the so-called McFarland committee were published July 3, 1950? You surely know who Senator McFarland is, don't you, Sheriff?

Mr. FISHER. Yes, I believe I do.

The CHAIRMAN. He said he knew who Senator McFarland was.

Mr. BURLING. And you knew that he was holding very important hearings, did you not, about gambling, which is one of the things that you are supposed to suppress?

Mr. FISHER. I can't say that I remember it; no.

Mr. BURLING. That comes as a surprise to you. Well, at any rate, Mr. Chairman, at page 883 of the hearings which bear the printed title on the cover, "Transmission of Gambling Information," there is an exhibit entitled "Exhibit C-1," leased circuits carrying racing news subdistributors to local outlets, and we all know that means bookies.

Now, where is Belleville, Ill., in your county?

Mr. FISHER. That is right.

Mr. BURLING. Well, Sheriff, if you had been diligent you would have read that the Sunny Hill Tavern, Rural Route 161, Belleville, Ill., was a subscriber to Pioneer, which in turn takes Continental's racing news, and all the testimony is that only bookies buy this service. You did not figure that out, though, did you?

Mr. FISHER. No, sir.

Mr. BURLING. East St. Louis is in your county, is it?

Mr. FISHER. Yes.

Mr. BURLING. Now, if you had read carefully in a document which is a public document, you would have read that Costello and Foilberg, at 749 Collinsville Avenue, East St. Louis, were buying service from Pioneer. You did not know that either?

Mr. FISHER. I did not know they were in business.

Mr. BURLING. Did you hear of them; and John Casberg, 317 Missouri Avenue, East St. Louis; J. Mooney—you have heard of him—Ted Kammerer, 438 Missouri Avenue, East St. Louis; Tony Pavlowa, 433 North Tenth Street; Tony Nevitz—who is he, we heard about him last night.

Mr. FISHER. Never heard of him in my life.

Mr. BURLING. Sheriff, we have been here about 3 days and we found out about him.

Stephens, 735 North Sixteenth Street, East St. Louis, you never heard of him?

Mr. FISHER. No.

Mr. BURLING. Frank Cammarata?

Mr. FISHER. Never heard of him.

Mr. BURLING. He is in Fairmont City, that is in your county, too?

Mr. FISHER. Yes.

Mr. BURLING. And R. L. Kilpatrick, at 3912 Cookson Road, Fairmont, Ill.

Mr. FISHER. I don't know him.

Mr. BURLING. Now, where is Collinsville, that is partly in and partly out of your county?

Mr. FISHER. No. That is in Madison County.

Mr. BURLING. All of it?

Mr. FISHER. I think all but one town, I mean one tavern, I think.

Mr. BURLING. Which tavern is it that is in your county?

Mr. FISHER. Well, I don't know offhand.

Mr. BURLING. Well, did you ever check to see whether it was a bookie establishment?

Mr. FISHER. No, I didn't know that.

Mr. BURLING. Well, let's take the Collinsville taverns that buy Pioneer Service, and are for that reason presumably bookies: Harold Burns, 17½ East Main Street, Collinsville; S. Kaysing, 118 East Main Street, Collinsville; Walter Weir, 322 West Main Street, Collinsville, and the 809 Club in Collinsville. Did you ever check any of those?

Mr. FISHER. That is not in my county.

Mr. BURLING. None of it?

Mr. FISHER. No.

Mr. BURLING. And it did not occur to you as a law enforcement officer to check a public record of where the race wire drops were?

Mr. FISHER. I never gave it any thought.

Mr. BURLING. Did you give any thought to law enforcement at all, Sheriff?

Mr. FISHER. Yes, sir.

Mr. BURLING. I have no further questions, Mr. Chairman.

The CHAIRMAN. Well, now, Sheriff, you say that there were not any slot machines in St. Clair County while you were sheriff.

Mr. FISHER. I said there were some slot machines and I picked them up.

The CHAIRMAN. How many did you pick up, do you think?

Mr. FISHER. Oh, I guess over 100 of them, I would say offhand; I am not sure, positive. I have no records.

The CHAIRMAN. Did you examine the Federal Record to see how many there were, that is how many paid a Federal license in St. Clair County?

Mr. FISHER. Well, we did recently, yes.

The CHAIRMAN. When did you do that?

Mr. FISHER. Oh, I imagine last 6 or 8 months, or something like that I was in office.

The CHAIRMAN. I mean, did you look at the Federal license to see where all these slot machines were located, one-armed bandits? Well, anyway, Sheriff, here is a location, maybe somebody else can use it, we are going to make it an exhibit to our testimony, that during the last year, during your term of office, here are the names of 1,850 slot machines operating in St. Clair County and Madison.

(List of 1,850 slot machine licenses is identified as exhibit No. 51, and is on file with the committee.)

Mr. BURLING. That could be found, could it not, Sheriff, by going to the Bureau of Internal Revenue? Didn't you know that? Those locations where licenses of slot machines were located is a matter of public record, don't you know that, sir?

Mr. FISHER. I did not at the time; no. I know it now.

The CHAIRMAN. Now, Sheriff, this Vickery Tavern is on Forty-fifth Street in Fairmont City. You don't know that place?

Mr. FISHER. No; I don't.

The CHAIRMAN. How do you handle your financial contributions, Sheriff?

Mr. FISHER. How do I handle them?

The CHAIRMAN. Do you keep a separate record of them, or just how do you handle them?

Mr. FISHER. Well, I generally, when I give a contribution I give it to them by check.

The CHAIRMAN. No. I mean when somebody gives you a contribution.

Mr. FISHER. I have not received any contributions.

The CHAIRMAN. Nobody ever gave you a contribution at all?

Mr. FISHER. No.

The CHAIRMAN. All right, Sheriff. That is all. Thank you. (Witness excused.)

The CHAIRMAN. Now, is Mr. Harrell here?

Mr. HARRELL. Yes sir.

#### FURTHER TESTIMONY OF DALLAS HARRELL, FORMER SHERIFF, MADISON COUNTY, ILL.

The CHAIRMAN. You solemnly swear the testimony you give will be the whole truth, and nothing but the truth, so help you God?

Mr. HARRELL. Yes sir.

The CHAIRMAN. Now, Mr. Harrell, are you still the sheriff of Madison County?

Mr. HARRELL. No sir.

The CHAIRMAN. When do you go out, or when did you go out?

Mr. HARRELL. I went out on the 4th day of December 1950.

The CHAIRMAN. You were the sheriff when we were here last time?

Mr. HARRELL. That is right.

The CHAIRMAN. Now, Sheriff, the 200 Club, a big club, operated in your county, didn't it?

Mr. HARRELL. In the city of Madison; yes, sir.

The CHAIRMAN. That is one of the big, well-known casinos in this part of the country, or was?

Mr. HARRELL. I think.

The CHAIRMAN. Did it operate all during the time you were sheriff?

Mr. HARRELL. No sir.

The CHAIRMAN. You raided it a time or two?

Mr. HARRELL. I raided it once.

The CHAIRMAN. And when were you sheriff, from what dates to what dates?

Mr. HARRELL. From about the 2d day of December in 1946 to the 4th day of December 1950.

The CHAIRMAN. 1946 to 1950.

Mr. HARRELL. December of 1950.

The CHAIRMAN. When did you raid the 200 Club? This club had race wire service, and we have been very much interested in one of the owners.

Mr. HARRELL. Well, I don't recall the exact date but along in, it was during the summer months of, I guess 1949.

The CHAIRMAN. The summer months of 1949. Well, what happened, did you go by yourself and raid it?

Mr. HARRELL. No. There was a—the State's attorney's house was shot into one night. The 200 Club was shot into the same night, and about 2 or 3 days afterward an editor of the Granite City Press Record received a telephone call telling him that if he wrote up anything further about the 200 Club that he was going to get into trouble; he told me about it. That night I took two deputies, went down there and closed the place.

The CHAIRMAN. So you closed it because they had sort of threatened the editor of the paper, is that it?

Mr. HARRELL. I closed it because it appeared to me that law enforcement had broken down in the city of Madison so far as the city police were concerned. That is the only reason.

The CHAIRMAN. Now, the place operated there. If this shooting had not occurred, or the editor had not been written a letter, you never would have closed it up?

Mr. HARRELL. As long as everything was going along all right and the city of Madison was satisfied, it satisfied me.

The CHAIRMAN. You mean, knowing of crime in an incorporated city in your county, you are not going to do anything about it?

Mr. HARRELL. Well, that bears some explanation, if you care to hear it.

The CHAIRMAN. Well, I just asked you; you can make any explanation you want to.

Mr. HARRELL. I had five day deputies in a county consisting of about 183,000 people. A big portion of that county was naturally in unincorporated areas. For instance, the Milton Hill area up adjoining Alton, there are 10,000 people live in that area and it is not incorporated. That is part of our job to take care of that area. There is a lot of legal work goes on in that county, a number of subpoenas and papers to serve and so on and so forth. With five day deputies it is a physical impossibility to police all of Madison County. Therefore, we depended upon the city police in the various incorporated towns and villages. We took care of the outlying territory and left it up to the city police to take care of their own territories until, as we figured, law enforcement had broken down or there was too much heat came about it.

The CHAIRMAN. Now Mr. Harrell, you know, as a matter of fact, that it is not the number of deputies that you have. You have five; you can do a whole lot with five deputies. It is whether the people who are operating these places know that you are going to close them up or whether they know that you are not. Any time along there, when you did nothing about it, you could send them word, "Get out, fellows, the thing is over. We are going to stay with you until we close you down." You didn't have to do that but once, they would be out of business.

Mr. HARRELL. Theoretically, that would be fine. Practically, it is no good. I can give you an illustration.

The CHAIRMAN. What I mean is a great big plush carpet place like the 200 Club, or like the Hyde Park Club, just can't operate if the sheriff is going to be determined to put them out of business.

Mr. HARRELL. They can't?

The CHAIRMAN. Can they?

Mr. HARRELL. They have.

The CHAIRMAN. Well, they have under you.

Mr. HARRELL. They have—period.

The CHAIRMAN. Well, the testimony, I think shows that three hundred or four hundred people would come in to and be at the Hyde Park Club at one time, a great big place, maybe the 200 Club, wire service, everything else. How can they operate if you want to put them out of business?

Mr. HARRELL. I was not trying to put them out of business.

The CHAIRMAN. Well, that is a frank answer. Why weren't you trying to put them out of business?

Mr. HARRELL. I explained to you originally I left that up to the cities.

The CHAIRMAN. But the law, the sheriff enforces the law, doesn't he?

Mr. HARRELL. I am telling you what the program was.

The CHAIRMAN. Suppose they have two or three murders, what-not, in the city; do you just fail to do anything about it because that is a city problem?

Mr. HARRELL. We cooperate with the city police on that, and we cooperate with the city police on anything, anytime they want.

The CHAIRMAN. Anything except closing up casinos?

Mr. HARRELL. Anything they asked in the way of cooperation we give it to them.

The CHAIRMAN. But you do not enforce the law until they ask for cooperation?

Mr. HARRELL. No, sir; not in incorporated towns or villages.

The CHAIRMAN. Or arson, rape, or prostitution?

Mr. HARRELL. They asked for our assistance on that, we gave it to them.

The CHAIRMAN. But what if they do not ask for it?

Mr. HARRELL. Well, eventually those people come to the city or to the county jail. Then they are our prisoner, and then it is up to us to do something about it.

The CHAIRMAN. Your theory is that you have a city administration, no matter how bad it may be, what sort of crime it may tolerate, unless it asks for your cooperation you do not go in and do anything about it?

Mr. HARRELL. That is not what I said, Senator.

The CHAIRMAN. That is what I understood you to say.

Mr. HARRELL. No.

The CHAIRMAN. What did you say?

Mr. HARRELL. I said until we deemed that law enforcement had broken down, that is what I said.

The CHAIRMAN. You did not deem law enforcement has broken down with the Hyde Park Club operating, with a bunch of racketeers pretty well known, one of the biggest casinos in the country all the time almost while you were sheriff; you did not consider that was broken down?

Mr. HARRELL. If the mayor and the chief of police and the citizens of Madison, the city of Madison were satisfied with it, it suited me.

The CHAIRMAN. Well, now, what if they were satisfied with a narcotics ring, would that be satisfactory to you too?

Mr. HARRELL. That would be for the narcotics squad, possibly.

The CHAIRMAN. What if they were satisfied with arson and burglary?

Mr. HARRELL. Well, you are being—

The CHAIRMAN. No, I am not. Anyway, the State felt that law enforcement had broken down so far as the Hyde Park Club, and they came in.

Mr. HARRELL. That is right.

The CHAIRMAN. Because you were not doing anything about it, isn't that right?

Mr. HARRELL. Well, I don't know why they came in.

The CHAIRMAN. Well, the testimony of Governor Stevenson and the head of the State patrol was that they tried to encourage the sheriffs to do something about it, and finally they went in themselves.

Mr. HARRELL. That is not true.

The CHAIRMAN. That is not true, all right.

Mr. HARRELL. That is right.

Mr. BURLING. It is true the State police closed the Hyde Park Casino which you had not closed, isn't it?

Mr. HARRELL. That is true.

Mr. BURLING. And the State police are under control of Governor Stevenson.

Mr. HARRELL. That is right, but that was not his statement. He said the Governor asked me to do it.

Mr. BURLING. But the State police under the Governor closed a gambling casino which you omitted to close.

Mr. HARRELL. That is right.

The CHAIRMAN. I must say in fairness, Mr. Harrell, I do not have Governor Stevenson's testimony here, or that of his chief deputy. I can't say that they said they had talked with you personally. I do say their testimony was, that the general principle was, that they first tried to get the local enforcement officers to do something about it, and then in failing in that it was only when that effort failed that they moved in themselves.

Mr. HARRELL. Well, I consider that I was the chief law enforcing officer in the county of Madison, and the Governor and the State's attorney never said anything to me at any time period.

The CHAIRMAN. Well, of course, they do not need to tell you the place was going on.

Mr. HARRELL. That is right, but you made the statement that they did, and I am telling you they did not.

The CHAIRMAN. They did not need to inform you that the places were operating.

Mr. HARRELL. No sir. We had very definite knowledge of it. In fact, they were called in every so often and fined, and pleaded guilty and paid a fine. I knew they were operating.

The CHAIRMAN. You just called them in, let them pay a fine, go on and operate, is that it? I mean, frankly, is that the way it worked?

Mr. HARRELL. There was information warrants filed by the State's attorney's office in the first 2 years that I was in office, and the warrants were given to us and we served them, and they came in and they went before the judge and pleaded guilty and paid a fine. Now, the last 2 years that I was in office with a different State's attorney, the State's attorney—there was no set period for that. At any time that we knew about any gambling, not periodically, but it was with no regularity at all, but on several occasions the State's attorney and I both signed information warrants in these cities. Now, there was no crap games or books operating in the county. These were all in the cities, and they were called in and fined. They were called in and taken before the judge. I am not the judge.

The CHAIRMAN. Well, did you ever do anything on your own on Hyde Park, close them down?

Mr. HARRELL. No, sir.

The CHAIRMAN. How about all these slot machines operating around?

Mr. HARRELL. There are no commercial slot machines operating in Madison County, and have not since 1938.

The CHAIRMAN. Well, here is a lot of people got them, have been paying taxes on them.

Mr. HARRELL. That is true. I said no commercial slot machines.

Mr. BURLING. What is the annual tax, Sheriff?

Mr. HARRELL. I could not tell you.

The CHAIRMAN. Now, here is Charles Bartsch, doing business as Red Rooster Tavern.

Mr. HARRELL. That is just—I mean the county line runs right through that tavern. They had slot machines on one side, but they did not have them on my side.

Mr. BURLING. Right there, Sheriff, the line between what two counties?

Mr. HARRELL. Madison and St. Clair.

Mr. BURLING. Just describe in detail the efforts you made to have the sheriff in St. Clair County stop the slot machines across the line.

Mr. HARRELL. Don't you think I had a pretty good job in Madison County without trying to tell St. Clair County how to run their county?

Mr. BURLING. No, it seems to me a tavern with slot machines on one side, and the county line right through, a diligent law-enforcing officer would call up.

The CHAIRMAN. Yes; that both of you sheriffs would get there at the same time.

Mr. HARRELL. Wait a minute. They did not operate on the Madison County side.

The CHAIRMAN. What is that?

Mr. HARRELL. They did not operate on the Madison County side.

The CHAIRMAN. Why didn't you get the sheriff from St. Clair County and both of you go to the Red Rooster?

Mr. HARRELL. That is his business, not mine. I had my hands full.

Mr. BURLING. Mr. Chairman, I think the record should show even the witness burst into laughter when I asked him that original question.

The CHAIRMAN. It shows that, I think.

So you didn't think it would be a good idea to call the sheriff on this Red Rooster cafe, and one of you go in one end and the other, the other end, they would have to have a slot machine somewhere, wouldn't they?

Mr. HARRELL. They did have them some place. All of these slot machines that was paid a tax on, Federal tax, were in private clubs, in Madison County.

The CHAIRMAN. Sheriff, the record does not show that. I do not want to go through all the record, but just taking it at random, there are a great many places in Madison County that indicate that they are not private clubs. Here is Joseph Bergrath: Bergrath's Tavern and Restaurant.

Mr. BURLING. Is that a private club?

Mr. HARRELL. Senator, I want to get this definite. There were no slot machines operating in Madison County, commercially operated slot machines during the 4 years that I was in there as sheriff, and neither has there been since 1938 with these exceptions, I picked up, I think about three or four slot machines in Madison County; during the 4 years that I was in there I picked up every slot machine that there was operating in a tavern or a commercially operated slot machine.

The CHAIRMAN. How about Starlight Tavern?

Mr. HARRELL. I don't know. What is the address?

The CHAIRMAN. 1349 Grand, Madison.

Mr. HARRELL. Well, that is—I don't know what that is.

The CHAIRMAN. How about Butkovich Tavern?

Mr. HARRELL. Well, now, here. There is a whole bunch of these places, they may have a tavern, that may be the way that they are listed, but these were clubs, they were ex-GI clubs, they were Elks' clubs, they were Knights of Columbus.

The CHAIRMAN. Here is Burns Liquor, 701 Madison. That does not sound like the Elk's Club.

Mr. HARRELL. Well, now, I will tell you, I know what you are talking about there. Those are not slot machines.

Mr. BURLING. They do pay a tax of one hundred dollars.

Mr. HARRELL. That is right. They pay a tax.

Mr. BURLING. Please let me finish, Sheriff.

Mr. HARRELL. Okay. You can have all the time you want.

Mr. BURLING. They pay a tax on these, \$100 a year to the Federal Government on slot machines. Can you explain why if they have something which is not a slot machine, why they pay that high tax?

Mr. HARRELL. Yes; I can explain it.

Mr. BURLING. Please do.

Mr. HARRELL. When the Post-Dispatch came out—

Mr. BURLING. No. We are talking about taxes.

Mr. HARRELL. I know. That is what I am talking about. Do you want me to answer the question?

Mr. BURLING. Go ahead.

The CHAIRMAN. All right, Mr. Harrell. You go on, answer it.

Mr. HARRELL. When the Post-Dispatch came out with a list that they had acquired, I guess from the records in Springfield, concerning these slot machines, I got in touch with the Post-Dispatch and I talked to a number of the newspapers around over the county, and the St. Louis newspapers, all of them had an invitation to come out to the courthouse and the State's attorney and I called in every individual that was listed in these, that had these machines, and we had all the press out there, and we asked them questions concerning these machines that had been paid, that a tax had been paid on. There were a number of them testified that they had had their slot machines in operation back a long time ago, they did not want to lose their—they did not want to get into any difficulty about the thing. There is a number of them that was, I think they called them jackpot Charleys, or something like that. It also required a tax, and the whole thing was that every one of those individuals that had a list made on there, there was—oh, I don't know, approximately half of them were slot machines, and those were in—they were either put away, were not in use, were not in operation, and I know they were not in operation, or they were machines that were in clubs, private clubs.

The CHAIRMAN. Well, anyway they are in this long list here, whatever they are.

Mr. HARRELL. That is right.

The CHAIRMAN. Now, Sheriff, how about all these wire-service drops in your county. Just look over the public record here, that was widely publicized, it appears—is Alton, Ill., in your county?

Mr. HARRELL. Yes sir.

The CHAIRMAN. Empire cigar store, Rex cigar store, J. M. Willhite, Elmer Nicholas.

Mr. HARRELL. Yes sir.

The CHAIRMAN. Harold Burns, S. Kaysing, Walter Weir, 809 Club, Main cigar store, Edwardsville; is that your town?

Mr. HARRELL. Yes sir.

The CHAIRMAN. Edison cigar store, Granite City; Leo Vogt, Granite City; Rex cigar store, J. P. Connors book store, 200 Club, Pioneer—no, that is Pioneer News Service, that is in St. Louis—and then, I suppose that before it was raided, I know the testimony showed before it was raided that the Hyde Park Club had news service. What are all those places?

Mr. HARRELL. Bookies.

The CHAIRMAN. Why didn't you go after them?

Mr. HARRELL. I explained to you awhile ago. Do you want me to explain it to you again?

The CHAIRMAN. Well, just that you felt that was a city responsibility.

Mr. HARRELL. That is right. There were none of them operating outside the incorporated area.

The CHAIRMAN. You knew it was against the law.

Mr. HARRELL. Yes, sir.

Mr. BURLING. Did you ever ask the respective chiefs of police of the cities why they didn't close the bookies down?

Mr. HARRELL. No, sir.

Mr. BURLING. You were not interested in seeing that the law is enforced in your county, that is in the cities, even so far as consulting with the chiefs of police?

Mr. HARRELL. They was running those towns long before I got in there.

The CHAIRMAN. Well, Sheriff, they vote for you in the city as well as in the county when you are elected, don't they?

Mr. HARRELL. That is right; yes, sir.

The CHAIRMAN. All right. That is all.

(Witness excused.)

The CHAIRMAN. We will have a 5-minute recess at this time.

(A short recess was taken.)

The CHAIRMAN. The committee will come to order.

The committee has invited Mr. O. Walter Wagner, the executive secretary of the Metropolitan Church Federation, to appear and to introduce Dr. Clarke, the president of the Metropolitan Church Federation.

Will you come around, Mr. Wagner and Dr. Clarke? Not that you need to be sworn, but we have a rule of the committee that every witness be sworn.

You solemnly swear the testimony you give before this committee will be the whole truth, and nothing but the truth, so help you God?

Mr. WAGNER. I do.

Dr. CLARKE. I do.

#### TESTIMONY OF REV. O. WALTER WAGNER, SECRETARY, AND DR. JAMES W. CLARKE, PRESIDENT, METROPOLITAN CHURCH FEDERATION

The CHAIRMAN. All right. Mr. Wagner, will you identify yourself?

Mr. WAGNER. Yes, sir, Senator Kefauver. I am Rev. O. Walter Wagner, the executive secretary of the Metropolitan Church Federation. I am very happy to be able to present to this committee the Reverend Dr. James W. Clarke, who is the president of the Metropolitan Church Federation. Dr. Clarke is well known throughout the Midwest here. He speaks to one of the great radio audiences each Sunday morning, and has been recently put into this high office representing Protestantism.

We are happy that KSD-TV is broadcasting this because we have a very friendly audience waiting to hear him, I am sure.

The CHAIRMAN. Dr. Clarke, we are happy to have you, and we appreciate your appearance in giving us the benefit of any suggestions that you can.

Dr. CLARKE. Well, Senator, as president of this church federation I represent 429 Protestant congregations with a constituency of approximately half a million people, both white and colored.

Now, the churches' concern is people and their welfare. Every church has a concern for human life and we feel that anything that helps human life should have the support of the church, and any-

thing that hurts it should have the opposition and condemnation of the church.

Now, we know as clergymen, we know what gambling is doing to our people. We know what it does to the individual, that it has a degenerative effect, that it makes the honest man a thief, that it makes the candid man subtle and evasive, and that the whole influence of this traffic on the individual is a cruel and vicious one.

The council of churches of America, which represents approximately 39 millions of our citizens, has gone on record against this evil. We feel that it is the most distinctive and terrible evil in our national life today, that it is running like a red-hot lava through the veins of our people. We know as clergymen that it is destructive of domestic and home life, and no nation has ever been able to survive the loss of its home life, because it is the home that is the foundational stone upon which everything good and creative is erected. Whenever the home goes, then the nation goes, and we believe that this evil, from our intimate knowledge as ministers, that this evil is wrecking not one but thousands of homes and bringing misery that should not be tolerated. We know what it is doing nationally, that it is corrupting polities. In our own State we have witnessed its slimy trail and hurt that it has done, how difficult it is for a man in public life to resist the pressures and the temptations that this traffic brings to bear, and we want to assure your committee, sir, of our great interest in your work, and we want to pledge you our support in trying to get laws in our country that will banish this thing from this land.

I pledge you, sir, the support and the encouragement of the Protestant forces of this city while you are here, and if there is anything that the clergy of this city can do to later help you in your recommendations, we shall be very glad to do so.

We feel that religion is not only a concern for the individual man, but that it is a social matter, and that individuals are entitled to an environment in which they can develop their personalities, but that they should not be exposed to the pressures and the temptations that this business has brought to so many people.

We appreciate, sir, your courtesy, and that of your committee in giving us the opportunity of being present this morning.

**The CHAIRMAN.** Thank you very much, Dr. Clarke and Reverend Wagner. I want to say that we appreciate the encouragement that you have given us in this message which should stir the hearts of people everywhere who hear it. I must say parenthetically that the life of this committee has not been easy. We have had a great many difficulties. We run into much opposition here and there, and a lot of people apparently do not approve very much of our work, but we have been trying to do the best that we could, and a message like this is indeed a great inspiration.

**Dr. CLARKE.** We thought it would hearten and encourage you to know that the church people are vitally interested and that they are supporting you in this very difficult and patriotic task.

**The CHAIRMAN.** We thank you very much, Dr. Clarke and Reverend Wagner.

**The CHAIRMAN.** Is Mr. Carroll here?

How long will Mr. Carroll's testimony be?

Mr. SHENKER. Mr. Carroll is here, Mr. Chairman, and I have a statement to make to the committee pertaining to that, which I would prefer if you would defer that until about 1 o'clock.

The CHAIRMAN. All right. Well, we are going to recess about 1 o'clock until about 2, and then finish up this afternoon.

Bring Mr. Carroll around, we will swear him, and then I think we can have two or three other witnesses, and let him come back at 1 o'clock.

Mr. SHENKER. Just to swear him, Mr. Chairman?

The CHAIRMAN. All right. Where is Mr. Carroll?

Mr. SHENKER. He is right here, and I want to make this announcement, Mr. Chairman.

The CHAIRMAN. Come around, Mr. Carroll, and be sworn.

Mr. SHENKER. I want to make this announcement, that we have been trying to locate the doctor all morning, and my office advised me the doctor is being located and will be here very shortly. In view of Mr. Carroll's condition—

The CHAIRMAN. Will Mr. Carroll come around and be sworn, and we will let him come back at 2 o'clock when he can see his doctor.

Mr. SHENKER. Just to be sworn. Very well.

The CHAIRMAN. Come around, Mr. Carroll.

Do you solemnly swear that the testimony you will give this committee will be the whole truth, and nothing but the truth, so help you God?

Mr. CARROLL. Yes.

The CHAIRMAN. If you want to consult a doctor and come back here, you may do so.

Mr. SHENKER. Very well.

The CHAIRMAN. Where is Mr. Foster?

(No response.)

The CHAIRMAN. All right. George Frank; is he here? Come around, Mr. Frank.

You solemnly swear the testimony you will give this committee will be the whole truth, and nothing but the truth, so help you God?

Mr. FRANK. Yes, sir.

The CHAIRMAN. All right, Mr. Burling and Mr. Robinson, you are going to interrogate Mr. Frank.

Mr. BURLING. Since Mr. Robinson and the witness are both accountants, I think Mr. Robinson should inquire.

The CHAIRMAN. Very well. Mr. Robinson, you proceed.

#### TESTIMONY OF GEORGE FRANK, ACCOUNTANT, ST. LOUIS, MO.

Mr. ROBINSON. Mr. Frank, your occupation is what?

Mr. FRANK. Public accountant.

Mr. ROBINSON. Are you a certified public accountant?

Mr. FRANK. No; public accountant.

Mr. ROBINSON. Are you in the business of being a professional accountant?

Mr. FRANK. That is right.

Mr. ROBINSON. Are you employed by the Pioneer News Service?

Mr. FRANK. That is right.

Mr. ROBINSON. Are you likewise employed by the Plaza Amusement Co.?

Mr. FRANK. That is right.

Mr. ROBINSON. Had you prior thereto been employed by the Reliable News?

Mr. FRANK. That is right.

Mr. ROBINSON. And during the time the Reliable News was in operation, you were the accountant for that organization?

Mr. FRANK. That is right.

Mr. ROBINSON. Can you tell us something about the individuals that were associated with the Reliable News?

Mr. FRANK. The individuals that I knew at the Reliable News are Gordon Foster, Pop Brown.

The CHAIRMAN. Go slower now, Mr. Frank.

Mr. FRANK. Gordon Foster; Pop Brown.

The CHAIRMAN. Now, Pop Brown, is that William?

Mr. FRANK. I guess that is Bev Brown, or Paul Brown. It is the gentleman that is dead, and George Rich.

Mr. ROBINSON. Did Pat Burns have any connection?

Mr. FRANK. Not to my recollection.

Mr. ROBINSON. Did you perform any accounting services for the Reliable?

Mr. FRANK. That is right.

Mr. ROBINSON. Over how long a period of time?

Mr. FRANK. Maybe now, a year, I don't know; from back from when started until they stopped, whenever that was, in 1946 or 1947, I don't exactly know what year it was.

Mr. ROBINSON. A complete span?

Mr. FRANK. That is right.

Mr. ROBINSON. Of how long a period of time, would you say?

Mr. FRANK. The complete span. Well, I think they started the middle of one year and ended up the next year. I am not sure, about a year, I am not exact.

Mr. ROBINSON. At that time you were not working for Pioneer News.

Mr. FRANK. That is right.

Mr. ROBINSON. In other words, with the termination of Reliable you then became employed as the accountant for Pioneer News?

Mr. FRANK. I don't think right away.

Mr. ROBINSON. There was a lapse in there?

Mr. FRANK. There was a lapse in there; yes sir.

Mr. ROBINSON. During that lapse were you employed as accountant for the Plaza Amusement Co.?

Mr. FRANK. Plaza Amusement Co., that is right.

Mr. ROBINSON. How long a period of time have you been employed by the Plaza Amusement Co.?

Mr. FRANK. From the starting of Plaza Amusement.

Mr. ROBINSON. From the time it was originally established?

Mr. FRANK. That is right.

Mr. ROBINSON. Do you recall when it was originally set up?

Mr. FRANK. Some time in—I don't know, it was 1946, I think it was 1946, it might have been—I don't know if it stretched back to 1945 or not, 1946. Now, that was a partnership in 1946.

Mr. ROBINSON. A partnership?

Mr. FRANK. That is right.

Mr. ROBINSON. Of what individuals?

Mr. FRANK. What individuals, Frank Wortman, Edward Wortman.

The CHAIRMAN. Wait a minute. A little bit slower. Which is known as Buster?

Mr. FRANK. Which one?

The CHAIRMAN. Yes.

Mr. FRANK. Well, I have to think on that one. I think it is Frank.

The CHAIRMAN. Mr. Robinson, which is Buster?

Mr. ROBINSON. Frank.

The CHAIRMAN. I am sorry. I did not mean to interrupt.

Mr. ROBINSON. Edward is Ted, is that correct?

Mr. FRANK. That is right: yes.

Mr. ROBINSON. Were there any other individuals?

Mr. FRANK. Yes, Elmer Dowling. Barney Barts.

The CHAIRMAN. Is that Dowling, D-o-w-l-i-n-g?

Mr. FRANK. That is right.

The CHAIRMAN. What is that last name?

Mr. FRANK. Barney Barts. What did I give you now?

Mr. ROBINSON. The two Wortmans, Dowling, and Barts.

Mr. FRANK. Frank O'Mara.

Mr. ROBINSON. Is he otherwise known as Cotton Eppelsheimer?

Mr. FRANK. That is right.

The CHAIRMAN. How do you spell that?

Mr. FRANK. I am a poor speller.

Mr. ROBINSON. E-p-p-e-l-s-h-e-i-m-e-r.

All right.

Mr. FRANK. Now, there may be one or two more in there, I just can't remember.

Mr. BURLING. Mr. Chairman, with respect to Frank, alias Buster Wortman, he apparently has ignored the subpoena of this committee. I would like to read into the record his police record, trying to establish the character of the people of Plaza Amusement. This comes from the department of police of the city of St. Louis. It shows his first arrest under the Dyer Act in 1926; in 1926 also petty larceny, and it shows was discharged; in 1927, Volstead Act, discharged; 1929, the offense is not given, discharged; 1933, concealed weapons, that is withdrawn; concealed weapons again, 1933, discharged; 1938, assault on a Government officer, and the disposition is not given; mutilating numbers on firearms, in 1934, and again, and I believe these matters were all the same, 1934, assault on Federal agent; 1934 sentenced to 10 years on a charge of resisting United States officer, sentenced to 10 years, and received at the United States Penitentiary at Leavenworth. Our files independently show that the actual crime was robbing a United States mail truck. I am advised I made a mistake, at any rate the technical sentence is 10 years on a charge of resisting United States officer; and then in 1942, charge of investigation: 1944, investigation; 1945, investigation.

The CHAIRMAN. That will be made part of the record, and let us get on with the witness. We can summarize these later after we question the witness.

Let this be made an exhibit at this point.

(The document referred to was marked "Exhibit No. 52," and appears in the appendix on p. 819.)

Mr. ROBINSON. I submit, Mr. Chairman, the criminal record of Ted Wortman.

The CHAIRMAN. We will submit these after we get through questioning the witness, Mr. Robinson, and they will be put in. Let's go on and ask the witness about who was in Plaza, and the connections, and then we will get to these after while.

Mr. ROBINSON. The records indicate that Plaza Amusement was incorporated on February 26, 1947. Does that suggest itself as being right?

Mr. FRANK. That is right; yes.

Mr. ROBINSON. And at that time it was formed with Elmer Dowling, Barney Barts, and Edward Hieby.

Mr. FRANK. Heiby, I think it is.

Mr. ROBINSON. Now, thereafter the company acquired pieces of equipment, phonographs, pinballs, juke boxes, and so forth, from other established routes. Is that how Plaza Amusement became into being?

Mr. FRANK. Well, what do you mean, when it was incorporated, after it was incorporated or as a partnership?

Mr. ROBINSON. When it was incorporated.

Mr. FRANK. Yes. After they were incorporated they bought four or five different routes.

Mr. ROBINSON. Do you recall the names of any of those routes?

Mr. FRANK. Yes. Could I look? I got some records in the back.

Mr. ROBINSON. Surely.

The CHAIRMAN. Yes. Go get your records, Mr. Frank.

Mr. FRANK. One route was Lemay Novelty Co. I don't know if it was Lemay Novelty or Lemay Distributing, we called it the Lemay Co.

Mr. ROBINSON. In other words, that was the company that Bozo Remphrey and Roy Tipton were associated with?

Mr. FRANK. That I don't know.

The CHAIRMAN. Do you know how they secured a route?

Mr. FRANK. They purchased the route.

The CHAIRMAN. Took over the May Novelty Co.?

Mr. FRANK. Lemay.

The CHAIRMAN. Lemay?

Mr. FRANK. They bought all their equipment for a certain amount of money.

The CHAIRMAN. In other words, took over their business, whatever they had?

Mr. FRANK. They purchased it.

The CHAIRMAN. That is what you call taking over a route. Any-way, we understand one another. How much did they pay the Lemay Novelty Co., about?

Mr. FRANK. About, oh, somewhere between thirteen and fifteen thousand dollars.

The CHAIRMAN. Go ahead, Mr. Robinson.

Mr. Robinson, do you have the record who the Lemay Novelty Co. was?

Mr. ROBINSON. The principals were Bozo Remphrey.

The CHAIRMAN. Bozo, and what is his other name?

Mr. ROBINSON. I believe it is William. And Roy Tipton.

The CHAIRMAN. That is one route that was taken over?

Mr. FRANK. O. K. Midwest Novelty or Distributing Co. I just called it Midwest.

The CHAIRMAN. Who were they, who was the Midwest?

Mr. FRANK. That I would not know.

The CHAIRMAN. How much was paid for it?

Mr. FRANK. I think somewhere around seventeen or eighteen thousand dollars.

The CHAIRMAN. Do you know who operated the Midwest, Mr. Robinson?

Mr. ROBINSON. No; I do not have the names.

The CHAIRMAN. Were these pinball machines and slot machines?

Mr. FRANK. No slot machines, no; pinballs, pinball machines and phonographs.

The CHAIRMAN. All right, Mr. Robinson. Let's get on.

Mr. FRANK. O. K. Westbrook.

Mr. ROBINSON. C. J. Westbrook?

Mr. FRANK. I imagine that is the same one. I just got Westbrook down here. I think they purchased that for \$17,500.

Mr. ROBINSON. Are you aware of newspaper articles which appeared indicating that Mr. Westbrook was chased through a meadow in southern Illinois before he decided to make the sale?

Mr. FRANK. No.

Mr. ROBINSON. To Plaza Amusement?

Mr. FRANK. No.

Mr. ROBINSON. You have never seen such?

Mr. FRANK. There was—I would not say I did not see it. There was something in the paper one time about being chased, I think he was shot at, or something one time.

Mr. ROBINSON. Well, let's continue with the next one.

The CHAIRMAN. Well, did he tell you he got shot at?

Mr. FRANK. No, no. He asked me if I ever saw it in the paper or ever heard of it, or anything else. He didn't tell me. I don't know Westbrook. I wouldn't know him if I saw him.

The CHAIRMAN. All right. Go ahead.

Mr. FRANK. They bought some equipment from the LaBan Wire Music Enterprise.

Mr. ROBINSON. I didn't hear you.

Mr. FRANK. They bought some equipment from the LaBan Wire Music Enterprise, some equipment, not a route, equipment they bought.

Mr. ROBINSON. That is John LaBan?

Mr. FRANK. No; I think at that time it was John LaBan and Frank Murphy doing business as LaBan Music Enterprise.

Mr. ROBINSON. L-e capital B-a-n?

Mr. FRANK. I got L-a capital B-a-n. I don't know if that is the right way to spell it or not.

Mr. ROBINSON. At any rate, that is the LaBan who later became the St. Louis Automatic Hostess Co?

Mr. FRANK. I would not know that.

Mr. ROBINSON. Let's go along with the next one.

Mr. FRANK. I think that is about all.

Mr. ROBINSON. Did they buy a large amount of equipment from the Murphy Distributing Co?.

Mr. FRANK. That is right.

Mr. ROBINSON. A Dun & Bradstreet report, Mr. Frank, indicates that Murphy sold his interest in the Murphy Distributing Co. to William P. Brown and George Frank in October 1947.

Mr. FRANK. That is wrong.

Mr. ROBINSON. Would that be you?

Mr. FRANK. That is wrong.

Mr. ROBINSON. Did you ever have an interest in the Murphy Distributing Co.?

Mr. FRANK. Murphy Distributing Co. was opened up as a partnership some years ago, 3 or 4 or 5 years ago, something like that, by Frank Murphy and Elmer Dowling doing business as the Murphy Distributing Co. I think Mr. Murphy owned 20 percent and Mr. Dowling had 80 percent. Later on they became a corporation. I helped form the corporation, for qualifying purposes, I think Mr. Brown, myself, and Frank Murphy, there was \$500, and opened up the corporation. Then all the assets and liabilities was transferred to the corporation, and Frank Murphy was the president. I had one share or either two shares of stock. I was the secretary and treasurer, and I am not positive but I think that Elmer Dowling was vice president.

Mr. ROBINSON. Now, during the time that Plaza was acquiring these various routes, was that upon a basis of money paid into the company; what did they use to buy the routes with?

Mr. FRANK. They wrote out a check and pay them with a check.

Mr. ROBINSON. In turn was there a capital investment in the company?

Mr. FRANK. Certainly, there was a capital investment in the company.

Mr. ROBINSON. Are you familiar with the account "Loans from stockholders," which appears on the books?

Mr. FRANK. Yes; a little bit.

Mr. ROBINSON. That aggregates \$163,100?

Mr. FRANK. No. Now, wait a minute. At one time that was somewhere around that figure; I think when they changed from a partnership to a corporation the figure was something like \$16,600, or something like that. Then from time to time the officers lent money to the corporation. Later on there was capital stock issued for the amount of money which, I think reached up to \$125,000 with the issued capital stock.

Mr. ROBINSON. Let me see if I can clear this up. As the company needed money the officers of the company would drop the money in and it would be set up on the books as a loan from the stockholders; is that your testimony?

Mr. FRANK. What do you mean, drop the money in?

Mr. ROBINSON. Put it in the company.

Mr. FRANK. They lent it to the company; that is right.

Mr. ROBINSON. Is there any way of establishing from the books of Plaza Amusement where the money came from?

Mr. FRANK. Outside, from the officers, that is all.

Mr. ROBINSON. In other words, you would have to go back to them to find out how much each one put in?

Mr. FRANK. That is right.

Mr. ROBINSON. The books do not in their present state reflect it?

Mr. FRANK. Well, yes; I think they do in a certain way, by the amount of stock that was issued to each individual, that was their share of the money that they put in there.

Mr. ROBINSON. In other words, that came at some time later, they decided to issue stock.

Mr. FRANK. To issue stock for the money.

Mr. ROBINSON. And wash it against whatever loans?

Mr. FRANK. Apportion, that is the way it was divided, what belonged to them.

Mr. ROBINSON. Do you know as of the present date the stockholdings in the Plaza Amusement Co.?

Mr. FRANK. The present date, the stockholdings?

Mr. ROBINSON. That is right.

Mr. FRANK. What do you mean?

Mr. ROBINSON. Persons that hold stock.

Mr. FRANK. The persons that hold stock at the present date?

Mr. ROBINSON. That is right.

Mr. FRANK. Yes.

Mr. ROBINSON. And the amount of their holdings?

Mr. FRANK. Well, I don't know exactly, know the amount of the holdings: Elmer Dowling, Louis Smith—and by the way I think I left him out in the partnership, now that the name come up.

The CHAIRMAN. Is that Louis Smith?

Mr. ROBINSON. L. Casper Smith.

Mr. FRANK. Louis Casper Smith; I think that is right.

The CHAIRMAN. That is "Red" Smith?

Mr. ROBINSON. That is correct, sir.

The CHAIRMAN. All right.

Mr. FRANK. Who did I give you now?

The CHAIRMAN. You said Dowling, "Red" Smith.

Mr. FRANK. And the two Wortmans. There are four stockholders in there right now. I will take that back. There is more than four stockholders. There is a qualifying share there for Ann Barrett, one share, and I think there is two shares or three shares setting dormant for Edward Hieby.

Mr. ROBINSON. He is deceased?

Mr. FRANK. He is deceased; that is right.

Mr. ROBINSON. Does Miss Margaret Linehan Moore have stock in the company?

Mr. FRANK. I imagine you are talking about Grey Moore's wife; is that right?

Mr. ROBINSON. That is correct.

Mr. FRANK. That is Linehan, or something like that, her maiden name. She had some stock in there. Now, the exact amount, I would say it was, I don't know, if it is 20,000 or 25,000 which was sold. Wait a minute now, that is wrong. She owned \$12,500 worth of stock, that is 125 shares, and she sold that back to the company in 1951, I think it was 1951, or either December of 1950. Now, I am not sure. The company purchased her stock back.

Mr. ROBINSON. Now, did Mr. Louis Calcaterra make a loan to the Plaza Amusement?

Mr. FRANK. There was a loan on the books for Louis Calcaterra, yes.

Mr. ROBINSON. In the amount of how much?

Mr. FRANK. Offhand, I think it was \$12,000 or \$12,500, something like that. I am not positive on that figure.

The CHAIRMAN. Do you have the amount, Mr. Robinson?

Mr. ROBINSON. Fifteen thousand dollars.

Mr. FRANK. Was it 15? That is probably right. You people have the books. Whatever was on there, that is right.

Mr. ROBINSON. Louis Calcaterra.

The CHAIRMAN. Did he get some stock?

Mr. ROBINSON. He just made the loan.

Mr. FRANK. He lent them some money. I think he got a note for it. They paid him back, I don't know if it was a thousand dollars every month or \$1,250 every month, or every couple months, something like that, and paid him back.

Mr. BURLING. Mr. Chairman, he is the man, I believe, whose attorney produced a health certificate yesterday indicating he was too ill to come.

The CHAIRMAN. And have we gotten the result of our examination around anywhere?

Mr. BURLING. No; that was another man.

Mr. ROBINSON. Did the Plaza Amusement Co. purchase the route of the St. Louis Automatic Hostess Co.?

Mr. FRANK. No, not that I know of.

The CHAIRMAN. Do you know if Joseph Roufa also loaned some money to Plaza?

Mr. FRANK. I don't know the gentleman.

The CHAIRMAN. Do you know what your records show, or do you have a record?

Mr. FRANK. There is nothing been on the records of owing him any money that I can recall. I do not think there is any page in the ledger of anything with his name on it.

The CHAIRMAN. Now, you were asked there about these people. Did you know who all these people were, Mr. Frank, "Red" Smith, and these people that form the Plaza Amusement, I mean, did you know that they were—had some criminal records?

Mr. FRANK. Well, I would not say that I—well, yes. I knew that they did.

Mr. BURLING. Let's cut it short. Didn't you know that they, the people in Plaza Amusement represent the mob in this city, the top of the mob?

Mr. FRANK. I did not know anything about any top of mob. All I know is that they was in the business and all of my dealings with them was fine.

Mr. BURLING. So far as you are concerned, fine upstanding gentlemen?

Mr. FRANK. As far as the Plaza Amusement Co. was concerned, I work with them here, that is my—

The CHAIRMAN. Let me ask you one or two questions.

When they took over a route or a business of Midwest Novelty Co., for instance, or Lemay Novelty Co., did they continue to operate in the name of Midwest Novelty Co., that particular route?

Mr. FRANK. No, no. They operated under Plaza Amusement Co.

The CHAIRMAN. It was all consolidated into the company?

Mr. FRANK. That is right. The only thing, it was kept on the books to try to keep track of that equipment. That was the only reason.

The CHAIRMAN. It is rather odd that William Brown, who was manager of the Plaza Amusement Co., continues to seem to be able to

borrow money by writing a check himself, and seems to be the principal check writer. What is that relationship?

Mr. FRANK. Well, I would not say he is the principal check writer. He still signs checks for Plaza Amusement Co., and I think he signs them in emergency only. Now, as to how it is, I don't know. It just exists and they let him do it.

The CHAIRMAN. Well, he is part of the group, isn't he, they trust him?

Mr. FRANK. At one time he was manager of Plaza Amusement Co. and they thought an awful lot of him.

The CHAIRMAN. So he continues on in sort of ex-official supervisory, managerial function?

Mr. FRANK. I think if they need him for anything they call him and he helps them out.

The CHAIRMAN. Anyway, the relationship is very close?

Mr. FRANK. I imagine so.

The CHAIRMAN. Now, can you give any explanation why he cashes great big checks every week at the Plaza Amusement; do they keep that sort of money around?

Mr. FRANK. Well, they have a lot of cash comes in from all their collections, their collectors, they have cash. I think a lot of times the girl is glad to get rid of the cash, convert it into checks. It might be a habit, I don't know.

The CHAIRMAN. You say William Brown comes in and looks after things in case of emergency and writes checks then?

Mr. FRANK. That is right.

The CHAIRMAN. What sort of emergency; isn't there a continuing emergency with these fellows, I mean like when the committee is in town he takes over and runs the business?

Mr. FRANK. That I don't know a thing about.

The CHAIRMAN. They were out of town when we were here before, I think, and they are out of town now. I just wondered if that emergency was not a regular thing.

Mr. FRANK. I don't know. I am not representing them people, as far as being in and out of town.

The CHAIRMAN. Well, William Brown does consult with you about the books, then, doesn't he, from time to time?

Mr. FRANK. About which books?

The CHAIRMAN. The Plaza Amusement.

Mr. FRANK. Not since he left there. No, he don't consult with me about them at all.

The CHAIRMAN. All right. Now, go ahead, Mr. Robinson.

Mr. ROBINSON. After looking at those two checks you have in front of you, does that refresh your recollection as to whether Plaza bought the wire music route?

Mr. FRANK. Walter E. Heller.

Mr. ROBINSON. That was a balance on a chattel.

Mr. FRANK. Balance on a what?

Mr. ROBINSON. Balance on a chattel, that was on the equipment.

Mr. FRANK. Oh.

Mr. ROBINSON. What does the other check—made payable to?

Mr. FRANK. LaBan Wire Music Enterprises.

Mr. ROBINSON. That is all.

Mr. FRANK. All right.

The CHAIRMAN. Well, how much are the checks?

Mr. FRANK. LaBan Wire Music Enterprise, \$2,486.81. William E. Heller Co. is \$7,304.66.

The CHAIRMAN. Well, Mr. Robinson, did you trace on the books where that paid off a chattel mortgage and also bought the St. Louis Hostess Amusement Co., whatever it is?

Mr. ROBINSON. I did.

The CHAIRMAN. Is that the case?

Mr. ROBINSON. That is correct.

Mr. FRANK. Let's get this here LaBan Wire Music Enterprise here, what I am going to try—these were 30 boxes, as far as I know setting dormant. What I mean by that, I think John LaBan and Frank Murphy was going to fix these boxes up and place them.

Mr. ROBINSON. Let's put it this way: Didn't Mr. John LaBan later become an employee of Plaza Amusement Co.?

Mr. FRANK. I think he did to the point of fixing up these boxes.

Mr. BURLING. Now, isn't it the fact that after these boxes were equipped, fixed up, they were reversed so that they were not sending out music but so that one of the drops was picking up racing wire information and fanning it out, so what the customers got was racing information and not music?

Mr. FRANK. I would not know that.

Mr. BURLING. You don't deny it?

Mr. FRANK. Well, what do you mean I don't deny it? I don't know it.

The CHAIRMAN. Well, you did not have anything to do with the mechanical operations?

Mr. FRANK. That is right. I never saw it. I don't know.

The CHAIRMAN. Is there anything else, Mr. Robinson?

Mr. ROBINSON. Mr. Chairman, you have the criminal record of Frank Wortman.

Mr. BURLING. That has been read.

The CHAIRMAN. Suppose we see who these people are now.

Mr. BURLING. We have Edward Wortman.

Mr. ROBINSON. I want to give you the stockholding of Frank Wortman in the company.

The CHAIRMAN. Frank Wortman has the criminal record which has been read. What was his stock?

Mr. ROBINSON. 337 shares.

The CHAIRMAN. How much was a share worth; what did they pay for it, do you know?

Mr. FRANK. One hundred dollars par value.

The CHAIRMAN. But it is worth a whole lot more than that; isn't it?

Mr. FRANK. Yes; I think it is.

The CHAIRMAN. Do you know what the current selling price is?

Mr. FRANK. I do not know about the selling price. I think I can give you the book value price, 1,125 shares now is worth \$149,552.66. That is the book value as of December 31, 1950.

The CHAIRMAN. How much would that be, the book value per share?

Mr. FRANK. Well, you will have to divide that.

The CHAIRMAN. That is what I wanted you to do.

Mr. FRANK. Do you want me to do that?

The CHAIRMAN. Is that approximately \$135 a share or \$1,300 a share?

Mr. FRANK. About \$1,500, I would say; something like that.

The CHAIRMAN. About \$1,500 a share?

Mr. FRANK. Yes. Wait a minute.

The CHAIRMAN. All right.

Mr. FRANK. Wait a minute; \$1,500 a share, no. The 1,125 shares cost them \$112,500 and it is only worth \$149,000 now.

Mr. BURLING. Suppose we put a new question. What is the book value of Buster Wortman's stock as of December 31? Will you calculate that for us?

Mr. FRANK. What is the book value? I don't know. That is pretty hard for me to sit right down here.

The CHAIRMAN. Well, anyway, it is a substantial value?

Mr. FRANK. That is right.

The CHAIRMAN. All right.

Mr. ROBINSON. I have handed you the arrest record of Edward Wortman, holder of 225 shares.

The CHAIRMAN. That will be made an exhibit.

(The document referred to was marked "Exhibit No. 53," and is on file with the committee.)

The CHAIRMAN. It seems to show that he was sentenced for burglary in 1925, and charged with robbery back in—I guess that is the same thing.

Mr. BURLING. He got a 5-year sentence, Senator.

The CHAIRMAN. Anyway, it speaks for itself. There seem to be two sentences and a lot of arrests.

Mr. BURLING. The record shows a 5-year sentence in 1925 for burglary; a 2-year sentence for theft in 1931 in Texas; an arrest in 1933 as a fugitive; 1933 again, arrest and wanted in East St. Louis, another in Belleville, and an arrest in 1934; arrest in Belleville charged with burglary, no disposition; 1941, arrest, no disposition; 1944, no disposition; 1947, no disposition; 1947 again, charged with violation of National Stolen Property Act, no disposition; and two more arrests in 1948.

The CHAIRMAN. That is exhibit No. 53.

Mr. ROBINSON. Mr. Louis C. Smith, holder of 225 shares.

Mr. BURLING. He starts away back in 1912: Forgery, 6 months on two counts. In 1915, arrested for grand larceny, sentenced to 2 years in the Missouri State Penitentiary: 1915, charged with larceny and fined; 1917, charged being an inmate of a bawdy house; 1917, idling, fined; 1917 again, burglary, second degree, 6 months; 1919, suspected grand larceny, released; 1919, suspected being fugitive, robbery, released; 1919, arrested for suspect, interstate theft, released; 1919, arrested, suspect robbery, released, 1919, arrested, suspect robbery, released—there are about four or five of these: 1919, arrested, charged with suspect violation of the Harrison Narcotic Act, released—and going on about four more arrests. I skipped one: Arrested, charged violating Mann Act, fined \$20.

There are many, many arrests coming down to 1922, arrested, charged with being a fugitive from St. Louis County, Mo., on a charge of murder. Then he was delivered to St. Louis County authorities. A few days later he was arrested charged with carrying concealed weapon. Two of those in 1922. Seven more arrests in 1922 on charges of concealed weapons, suspected robbery, and 1923 there are seven

arrests, robbery, and one conviction carrying concealed weapon. Now, in 1924 it gets a little more serious. Arrested on charge of mail robbery—charged in this very court with mail robbery: a hung jury. Then, in 1924, later in Illinois he is charged with mail robbery of \$55,000, received a sentence of 25 years, and he was received at—I guess on the same charge, he is also tried in St. Louis, and sentenced, totaling 15 years. So he goes away in 1925 and we do not see him until 1944, when he is arrested suspected of robbery. In 1944 again, arrested and charged with violating section 885 of the penal code of Illinois. I can't identify that. He was fined \$200. In 1947 he was arrested and released; 1950 he was arrested and released.

The CHAIRMAN. All right. Make that an exhibit.

(The document referred to was marked "Exhibit No. 54," and appears in the appendix on p. 820.)

Mr. ROBINSON. Elmer Dowling, holder of 336 shares.

Mr. BURLING. He starts out in 1924: Arrested, charged with carrying concealed weapons. He was referred to the juvenile court. Sentenced to 2 years Missouri State Reformatory; and 1938 he was arrested, suspected of bombing and racketeering, Clayton, Mo. In 1940, arrested and charged with being fugitive from St. Louis County, where he was under indictment for assault to kill. The final verdict is, verdict sustained, guilty of assault with intent to kill with malice aforethought and sentenced to 30 years in the Missouri State penitentiary. This was reversed by the supreme court in 1941, and then in 1942 he was tried a second time, assault with intent to kill and found not guilty. There are 37 other arrests, for investigation and traffic violations.

Mr. ROBINSON. Frank "Cotton" Eppelsheimer, on the records of Plaza as Frank O'Mara.

The CHAIRMAN. How much stock does he own?

Mr. ROBINSON. That was sold back to the company, Senator. I can get it.

The CHAIRMAN. That's all right.

Mr. BURLING. I won't read it all, Senator, but I might say this is the first time in my experience with the committee, and I believe in Mr. Robinson's, that we have ever seen a five-page arrest record. It starts in 1918 and it comes down to—it seems to stop in 1924 when the man received a sentence of 25 years, two sentences, one 10 years and two 5-year sentences, and two run concurrently with the one 25-year sentence, for robbery, United States mail. There are many other arrests, but that is the main one.

Mr. ROBINSON. George William Aubright, alias Barney Barts. He was the original president of the company, wasn't he?

Mr. FRANK. Barney Barts, if that is the same gentleman; I don't know about Aubright.

Mr. BURLING. Mr. Chairman, this man was found guilty only once, back in 1925, on a concealed weapon charge. He has five robbery arrests, and two others.

The CHAIRMAN. It will be made an exhibit.

(Records of Dowling, Eppelsheimer and Barts, are identified as exhibit No. 55. See appendix, p. 821.)

Mr. ROBINSON. I have here the record of Gregory "Red" Moore, who, through his wife's holding, holds 125 shares.

The CHAIRMAN. Is he the same fellow that operated the Hyde Park?

Mr. ROBINSON. That is correct, sir.

The CHAIRMAN. And recently moved to Florida?

Mr. ROBINSON. That is correct, sir; and I think he further testified half the proceeds of Hyde Park were split with Frank "Buster" Wortman.

Mr. BURLING. 1919, arrested, gambling, no disposition; 1935, assault with intent to kill, no disposition; 1943, investigation, no disposition.

The CHAIRMAN. It will be made an exhibit.

(The document referred to was marked "Exhibit No. 56," and appears in the appendix on p. 824.)

Mr. ROBINSON. Now, Mr. Chairman, the testimony was that the Plaza Amusement Co. acquired the assets of Lemay Distributing Co. which have been operated by "Bozo" Remphrey and Roy Tipton. I have here the arrest record of William Remphrey and Roy Tipton.

Mr. BURLING. Mr. Chairman, since these men are not presently directly associated, I suggest they be made an exhibit without my reading them.

(The documents referred to were marked, respectively, "Remphrey, Exhibit No. 57," and "Tipton, Exhibit No. 58," and appears in the appendix on pp. 824 and 825.)

The CHAIRMAN. Didn't Mr. Barts start working for the company in some capacity?

Mr. ROBINSON. Barts we already have.

Mr. BURLING. These are persons whose business went into Plaza but they are not, as far as we know, presently associated. It shows the association with this company.

The CHAIRMAN. May I ask you, Mr. Frank, did Mr. Remphrey go into the company: do you know?

Mr. FRANK. No.

The CHAIRMAN. You don't know, or he did not?

Mr. FRANK. What do you mean, did he go into the company? Is he a stockholder of the company?

The CHAIRMAN. No. When they bought him out did he start working for the company?

Mr. FRANK. To my knowledge, I don't think he did. I don't know. I don't know this man you are talking about, Remphrey.

The CHAIRMAN. All right. Is there anything else now?

Mr. BURLING. I have read Frank Wortman's record, Mr. Chairman.

The CHAIRMAN. Is that the same fellow as Buster Wortman?

Mr. ROBINSON. Frank is Buster. That was read some time ago.

The CHAIRMAN. Then it looks like all these fellows, the stockholders, are about the worst bunch of racketeers in this section of the country. Have you quit representing them, sir?

Mr. FRANK. No.

The CHAIRMAN. Or do you represent them now?

Mr. FRANK. No.

The CHAIRMAN. That is all right. You can represent anybody you want to.

Mr. FRANK. I still go in there once a month.

Mr. BURLING. And you also represent Pioneer News Service?

Mr. FRANK. Partly, yes.

Mr. BURLING. And you represented Reliable when that was established?

Mr. FRANK. That is right.

Mr. BURLING. By the Chicago muscle.

Mr. FRANK. By what?

Mr. BURLING. Don't you know that Reliable over in East St. Louis was established as a muscle operation?

Mr. FRANK. All I know about Reliable News Co., like what I told you before, is Pop Brown, Gordon Foster, and George Rich.

Mr. BURLING. You know Gordon Foster anyhow, don't you?

Mr. FRANK. Do I know him? Yes, I know him from over at—

Mr. BURLING. You know Buster Wortman.

Mr. FRANK. I know of him; yes.

Mr. BURLING. What relation is there between the two?

Mr. FRANK. I would not know.

Mr. BURLING. Well, they are related; aren't they?

Mr. FRANK. I don't know. I don't know nothing about their family affairs.

Mr. BURLING. But at any rate, you were the accountant for Reliable, you are the accountant for Pioneer and you are the accountant for Plaza; is that correct?

Mr. FRANK. That is right.

Mr. BURLING. I have no further questions.

Mr. ROBINSON. I have two more questions, Mr. Chairman.

Are you the accountant also for the E. & W. Loan Co.?

Mr. FRANK. That is right.

Mr. ROBINSON. Is that a loan company of Mr. Edward Wortman?

Mr. FRANK. That is right.

Mr. ROBINSON. Is that licensed as a loan company under the State or city?

Mr. FRANK. That I would not know.

Mr. ROBINSON. Its function is to make domestic loans on household equipment, or just what type of loan do they make?

Mr. FRANK. No. I think they make loans for their customers. A lot of times they have a saloon. Now, understand what I am telling you. I don't know everything about this loan company, but a saloon man's license is due and he needs \$600 or \$650. They lend him the \$600 or the \$650, whatever it is, and he pays them back weekly.

Mr. ROBINSON. Do they charge interest for it?

Mr. FRANK. Yes, they do.

Mr. ROBINSON. Do they make loans also to cab companies?

Mr. FRANK. I think he did make a loan to a cab company, yes; supposed to be a personal friend of his.

The CHAIRMAN. Who was that?

Mr. FRANK. I think it was the cab company over in East St. Louis, or something now, I am not sure.

The CHAIRMAN. Is that a big business? He must have a lot of money in it, that loan company.

Mr. FRANK. No, I think his—offhand.

The CHAIRMAN. A million dollars?

Mr. FRANK. No, no.

The CHAIRMAN. What sort of interest, or rate of interest does he charge these saloonkeepers?

Mr. FRANK. I think they lend him \$600, or something, and they give him \$550, or something like that.

The CHAIRMAN. For 30 days, 90 days, 60 days?

Mr. FRANK. No, until they pay it all, maybe a year, sometimes 6 months.

The CHAIRMAN. So they take the money out, the interest out in the beginning?

Mr. FRANK. That is the general rule.

The CHAIRMAN. And then get it back. Do they take notes for these loans, or just loan it on the cuff?

Mr. FRANK. I did not go into the personal affairs. I understand, though, that there is very few notes.

Mr. BURLING. Just personal loans?

Mr. FRANK. That's right.

Mr. BURLING. That's an unusual way to do a loaning business, isn't it?

Mr. FRANK. Yes; it is.

The CHAIRMAN. But why do you think they do it that way?

Mr. FRANK. Why, just like I told you gentlemen, I don't know why, they loan it to their customers and they get it back, for good will, to keep your customers.

The CHAIRMAN. You mean the customers who have juke boxes and what not?

Mr. FRANK. That's right.

The CHAIRMAN. But Mr. Wortman and this man also have interests in breweries and are distributors of liquors?

Mr. FRANK. I wouldn't know anything about their personal affairs.

The CHAIRMAN. But they wouldn't loan them any money unless they were customers, would they?

Mr. FRANK. To the best of my knowledge; no.

The CHAIRMAN. So that's part of the sales tactics they have to get juke boxes in?

Mr. ROBINSON. I have one question. You say this individual the money was loaned to was on the basis of a personal accommodation?

Mr. FRANK. I imagine. I don't know why he loaned them the money, I'm not sure.

Mr. ROBINSON. Was that the loan company Leo Brothers was associated with?

Mr. FRANK. I don't know—later perhaps—I don't know if he was associated with a loan company.

Mr. ROBINSON. Didn't you have a murder here awhile ago of Leo Brothers?

Mr. FRANK. Yes, sir; but I still don't know him.

Mr. ROBINSON. Wasn't that the cab company?

Mr. FRANK. I don't know whether it was or not.

Mr. ROBINSON. Do you know the Ace Cab Co.?

Mr. FRANK. Yes, sir.

Mr. ROBINSON. Was that a cab company you loaned money to?

Mr. FRANK. Yes, sir.

Mr. ROBINSON. Was Leo Brothers described in the papers as being in the Ace Cab Co.?

Mr. FRANK. I think he was; yes, sir.

The CHAIRMAN. It is quite apparent we are not going to be able to use all the witnesses we have subpoenaed. It might be—will all the

witnesses who are here come up and speak to Mr. Robinson or Mr. Fickeissen and maybe we can tell you whether we are going to have a chance to put you on this afternoon and, if so, what time. So all the witnesses who are here come up and speak to Mr. Fickeissen or Mr. Robinson. The committee will stand in recess until 2:15.

AFTERNOON SESSION

The CHAIRMAN. Mr. Brown, will you come back?  
Mr. WILLIAM BROWN. Yes, sir.

FURTHER TESTIMONY OF WILLIAM BROWN, ST. LOUIS, MO., ACCCOMPANIED BY MORRIS SHENKER, ATTORNEY, ST. LOUIS, MO.

The CHAIRMAN. Mr. Brown, I believe Mr. Robinson asked you to get the names and addresses of the six people that fanned out from Vogt?

Mr. BURLING. The record shows that Mr. Shenker is once again in attendance upon us.

The CHAIRMAN. Yes. Sit down, Mr. Brown. You have the list, do you?

Mr. BROWN. I have the names; I don't know the addresses.

The CHAIRMAN. Give us what you have, read it out.

Mr. BROWN. A gentleman named Leach Cross.

The CHAIRMAN. I didn't understand.

Mr. BROWN. Leach Cross [spelling] L-e-a-c-h C-r-o-s-s.

The CHAIRMAN. Yes.

Mr. BROWN. J. Crane.

The CHAIRMAN. Yes.

Mr. BROWN. Joe Brown.

The CHAIRMAN. Yes.

Mr. BROWN. J. Nichols.

The CHAIRMAN. Yes.

Mr. BROWN. Dick Brown.

The CHAIRMAN. Yes.

Mr. BROWN. J. Tocco [spelling] T-o-c-c-o.

The CHAIRMAN. You got these from your books?

Mr. BROWN. That's right.

The CHAIRMAN. How did you distinguish that they were fan-out customers, rather than just straight customers?

Mr. BROWN. Well, I got ahold of Mr. Vogt.

The CHAIRMAN. These are people that paid you?

Mr. BROWN. Yes, sir.

The CHAIRMAN. They made their payments directly to Pioneer?

Mr. BROWN. Yes, sir.

The CHAIRMAN. And you do not have their addresses?

Mr. BROWN. No, sir.

The CHAIRMAN. Did you ask Mr. Vogt for them?

Mr. BROWN. He wouldn't have them, sir.

The CHAIRMAN. Did they come in and make their payments to Mr. Vogt or do they come to your office directly?

Mr. BROWN. To my office directly.

The CHAIRMAN. Now, they do not appear on the books any different from the other customers?

Mr. BROWN. No.

The CHAIRMAN. That is, they are not marked as fan-out customers?

Mr. BROWN. No, sir.

The CHAIRMAN. They are just in with the other customers. Any questions you want to ask, Mr. Shenker?

Mr. SHENKER. No.

The CHAIRMAN. I believe that's all. I don't know of anything else we want Mr. Brown for.

Mr. BURLING. I have no questions.

Mr. ROBINSON. I have nothing.

**TESTIMONY OF JAMES J. CARROLL, ST. LOUIS, MO., ACCCOMPANIED  
BY MORRIS SHENKER, ATTORNEY, ST. LOUIS, MO.**

Mr. SHENKER. Mr. Chairman—

The CHAIRMAN. Have a seat, Mr. Carroll.

Mr. SHENKER. At this time, representing Mr. James Carroll, I would like to object to the proceedings that are about to take place or taking place now for the following reasons: in the first place, I offer into evidence Senate Resolution No. 202, which is the resolution creating this committee and ask that that be made a part of this record; secondly—

The CHAIRMAN. It is already a part of the record but if you want it at this particular part of the hearing, we will do that.

Mr. SHENKER. And I point out that this committee and the resolution creating the committee, provided for a committee of five and that a quorum on a committee of five would be three and the record should show this hearing is being conducted by you, sitting as a committee of one, and, for that reason—

The CHAIRMAN. The resolution of the Committee on Organized Crime, authorizing a committee of one to have this hearing, has heretofore been made a part of the record, but it will be made a part of the record at this point, and then the chairman announced at the beginning that he has designated himself as a committee of one; that announcement will also be made at this point in the record.

Mr. SHENKER. And we object to the committee carrying on these proceedings as a committee of one instead of having a quorum present at the time the committee meets. Further, I would like to add and point out and ask that the record show that we object to these proceedings being carried on in the presence of the police officials of the city of St. Louis—

The CHAIRMAN. To expedite matters, can we just say it is being carried on in the presence of the same people as yesterday?

Mr. SHENKER. I think I can expedite it, if I may, in 1 minute. And that the record should show that sitting just a few feet away from me is Mr. Melyin Burton, a group chief of the Bureau of Internal Revenue; and then about six gentlemen, most of whom are agents of the Intelligence Division of the Internal Revenue Department, and at least two of whom I can see here, Mr. McClure and Mr. Altman, who are actively engaged in the investigation of Mr. Carroll for income-tax purposes. And, I further object, there are also here officials of the

city of St. Louis, police officials, and members of the gambling division—

Mr. BURLING. May I ask a question?

Mr. SHENKER. Yes, sir.

Mr. BURLING. You don't assert that any answer which Mr. Carroll might give this afternoon would involve him in any income-tax fraud, do you?

Mr. SHENKER. I only say that these proceedings and according to the resolution providing for —

Mr. BURLING. Do you have a copy of the resolution? I have misplaced mine. If you have one, I would like to look at it.

Mr. SHENKER. Yes; we have it here.

Mr. BURLING. Just let me refer to it, will you?

(Mr. Shenker hands document to Mr. Burling.)

Mr. BURLING. This is only partial.

Mr. SHENKER. I have the other part here.

The CHAIRMAN. Will you proceed?

Mr. BURLING. Well, Mr. Chairman, it is irrelevant unless there is going to be an objection to the questions asked of this witness, that there happen to be X number of Treasury officials or police officers present.

The CHAIRMAN. This is a public hearing. Anyone has a right to be here who wants to.

Mr. SHENKER. I also want to point out to the chairman that 18 U. S. Code, section 3486, provides that no testimony given before a congressional committee shall be used in any court, shall be used as evidence in any criminal proceedings against that individual in any court—

Mr. BURLING. You haven't read all of that, Mr. Shenker.

Mr. SHENKER. Excepting for prosecution for perjury committed in giving such testimony.

Mr. BURLING. Yes, sir.

Mr. SHENKER. And I want to point out to this body that the mere presence of these individuals, even though they couldn't use the testimony they get from that proceeding, that it would, in effect, nullify the protection that is granted by the statute.

I would further object to the proceedings and this witness will not testify insofar as this proceeding is being televised and is carried throughout the metropolitan area of the city of St. Louis and some other stations; and the witness will stand on his constitutional rights and the right of privacy which is granted to him by the Constitution of the United States and by the laws of the United States and will not testify in such a manner as would amount to an invasion of his privacy and exposes him to ridicule and exposes his person and exposes him while he is testifying, and also the testimony; that he may be ridiculed, he may be embarrassed, and that this is an undue invasion of his constitutional rights and rights of privacy.

The CHAIRMAN. Is that all, Mr. Shenker?

Mr. SHENKER. That's all.

The CHAIRMAN. Will you sit down, sir?

Mr. SHENKER. Yes, sir. I also would like to point out one more thing, Mr. Chairman, that prior to coming in here, Mr. Carroll was examined by a doctor who stated that—

The CHAIRMAN. Well, do you have his statement—

Mr. SHENKER. No; I only know what he told me, that his blood pressure was 180 over 80 and his pulse was 120, and that he gave him a sedative and he thought without undue excitement that he could probably testify without any ill effects; and that this television and cameras of the television would unduly excite him to a point where he could not testify.

The CHAIRMAN. Well, Mr. Shenker and Mr. Carroll, we have all due deference to you, Mr. Carroll, and you, Mr. Shenker, of course. This is a hearing in which you are being treated just like anybody else who has testified here. I can see no reason presented by Mr. Shenker why you are entitled to any special privileges. You are a man of experience and have been in business life quite a while, where it shouldn't—testifying before a committee shouldn't unduly excite you. You have testified before committees before. You have been down to Florida and had a good rest, Mr. Carroll. Do the lights bother you?

Mr. CARROLL. Well, no; the whole proceeding outrages my sense of propriety.

The CHAIRMAN. Your sense of propriety?

Mr. CARROLL. That's right.

The CHAIRMAN. Is that the thing? You have on dark glasses, the lights don't bother you, do they?

Mr. CARROLL. I just will not be able to testify as long as you have television on. I will be glad to give my testimony—

The CHAIRMAN. The main thing is you just don't want to be on television?

Mr. CARROLL. Well, there are a half a dozen reasons; I think the one that it outrages my sense of propriety should cover it. I will be glad to testify—

The CHAIRMAN. Television, sir, is a well-recognized medium of public information, like the radio and the newspapers and we haven't had any other witness, and we have had several called here much less educated and much less experienced than you, I expect, Mr. Carroll. You are not worrying about your physical well-being, are you, that doesn't concern you?

Mr. CARROLL. Some of it, it might excite me.

The CHAIRMAN. But you are not excited now, you appear very calm at the present time.

(Witness laughs.)

The CHAIRMAN. Well, Mr. Carroll, if, during the course of the hearing, you reach a place where you feel you have been unduly excited, we will try to take things very calmly in the hearing. You can get your doctor in and we will discuss the matter with him as we go along, but we will have to proceed with the hearing at this time.

Mr. CARROLL. Well, Senator, I will have to refuse to answer or go on with the proceedings as long as the television is in effect.

The CHAIRMAN. Well, if you want to make a test case of it, we are willing to go along with you on that basis.

Mr. CARROLL. That's my decision.

The CHAIRMAN. Because we expect to run this committee as we think proper and not have the arrangements we make about any committee hearing dictated by the witnesses. You are exhibiting no particular excitement. Would you say as of now that you are excited? There is no showing here this will do any damage to your

health; you just don't like, apparently, to have your picture seen while you are testifying. So, we'll start out and see how we get along. What is your name, Mr. Carroll?

Mr. CARROLL. Senator, I will not answer any questions as long as the television is in effect. I told you that; I don't want to be stubborn but I also have what I believe is my best interests to—

The CHAIRMAN. Well, we will ask you some questions and see if you will answer them or not. I will ask you gentlemen of the press until—to stop flashing the boxes for the time being. Do you want to tell us your first name, Mr. Carroll?

Mr. CARROLL. James Carroll.

The CHAIRMAN. And where do you live?

Mr. CARROLL. I live at 4605 Lindell Boulevard, St. Louis, Mo.

The CHAIRMAN. How old are you, Mr. Carroll?

Mr. CARROLL. Sixty-four.

The CHAIRMAN. You have been down to Florida, Mr. Carroll?

Mr. CARROLL. Yes, sir.

The CHAIRMAN. When did you return?

Mr. CARROLL. This morning.

The CHAIRMAN. Subpena was served on you sometime back?

Mr. CARROLL. The subpena was never served on me, Senator.

The CHAIRMAN. It wasn't?

Mr. CARROLL. No, sir.

The CHAIRMAN. Then some one accepted service? Well, anyway, you are here.

Mr. CARROLL. Well, Senator, you are getting beyond—this is getting out of my control. I will not testify as long as the television is in effect, operating.

The CHAIRMAN. Whenever you get to the point where you want to be in contempt of this committee—

Mr. CARROLL. I am not being in contempt of this committee; I am here to give my testimony as best I can, but I certainly don't intend to be made an object of ridicule by all this stuff going on here.

The CHAIRMAN. We had a very good minister appear a while ago—

Mr. CARROLL. Well, that's beside the point: I don't want to get in any controversy with you, but—

The CHAIRMAN. Whenever you want to defy this committee—

Mr. CARROLL. I am not defying this committee, sir—

The CHAIRMAN. Just a minute. Whenever you want to defy this committee and be contemptuous of this committee by refusing to testify, that's your prerogative, but I want to tell you now that we are going to run the committee as we see fit.

Mr. CARROLL. Well, that's perfectly all right with me, Senator.

The CHAIRMAN. And if you don't testify, all the strength and vigor that this committee has, at least the subcommittee, will be used to see that you don't get by with it—

Mr. CARROLL. Senator, I am not trying to get by with anything, and I am here with the purpose of testifying to the best of my ability, but I object to these television cameras, and I will not testify as long as they are in operation.

The CHAIRMAN. Well, they are going to stay in operation—

Mr. CARROLL. Well, all I can do is leave the committee room.

The CHAIRMAN. Very well. Mr. Carroll, you are ordered to stay here and testify; I want to see if you defy the order of the committee.

Mr. CARROLL. Well, Senator, I will testify if the television—

The CHAIRMAN. Mr. Carroll, you are ordered to stay and testify. We are not making any different rules for you than for anybody else.

Mr. CARROLL. Well, Senator, I think you are violating my constitutional privileges.

The CHAIRMAN. The committee orders you to stay here and give your testimony.

Mr. CARROLL. My answer to the committee is I will answer any question you will put to me if you will cease the television.

The CHAIRMAN. Mr. Carroll, we have been carrying on this committee for 2 days under the same conditions; you are here, you are ordered to testify and answer questions that may be asked you. Do you want to refuse to obey the order of the chairman of the committee?

Mr. CARROLL. I am not disobeying this committee. I am willing to testify; I flew from Miami to come in, by no subpoena, but—I feel—you said I would be in contempt of court, it was in the Miami newspapers. I wasn't served with a subpoena.

Mr. SHENKER. You were served with a subpoena, you weren't served with a subpoena as to the date.

Mr. CARROLL. That's right.

The CHAIRMAN. Mr. Connor was present when you were served with a subpoena.

Mr. CARROLL. That's right.

The CHAIRMAN. That's beside the point; you are here, you have been sworn—

Mr. CARROLL. I want to testify.

The CHAIRMAN. Just a minute. The chairman orders you to testify at this time. If you disobey the order of the Chair, with all the vigor I have the matter is going to be presented to the United States Senate with a recommendation that you be tried for contempt of the committee, because I think you are. There isn't any reason why a different rule has to be followed in your case than anybody else. You are a man of calm judgment and great experience and I can't see any reason to make any exception as to you.

Mr. CARROLL. I am not asking you to make an exception. I am willing to testify, I came here to testify, but I certainly don't want to testify under conditions that will violate my constitutional rights.

Mr. SHENKER. I would like the record to show we are taking issue with Mr. Kefauver's statement that Mr. Carroll appears calm; to the contrary—

The CHAIRMAN. Mr. Shenker, nobody asked you to testify.

Mr. BURLING. He has not been sworn.

Mr. SHENKER. I would like the record to show.

The CHAIRMAN. The record doesn't show that, the record shows Mr. Carroll is here calm and perfectly able to testify.

Mr. CARROLL. I am willing to testify. There is only one objection and that is to the television camera.

The CHAIRMAN. It is going to be here as long as this public utility has it here.

Mr. CARROLL. As I told you, I will testify—

The CHAIRMAN. No use evading the question.

Mr. CARROLL. I am not evading the question; I have been advised that is my constitutional privilege.

The CHAIRMAN. I don't care what you have been advised, you are now ordered to sit down and testify and answer the questions of the committee.

Mr. CARROLL. I will be glad to if you will discontinue the television.

The CHAIRMAN. The television cannot be disconnected.

Mr. CARROLL. I will not testify. I do not defy the committee; I want that understood.

The CHAIRMAN. It is not understood; we—

Mr. SHENKER. I still want the record to show that Mr. Carroll isn't calm; to the contrary, he is very excited.

The CHAIRMAN. Just a minute, you can't testify; you are making that statement; the record doesn't show that. If you want to make a record, all right, but don't state what the record shows. The record shows that Mr. Carroll is about the calmest fellow around here; the lights do not bother him; they are indirect light; all witnesses have been able to get along all right; he has his dark glasses.

Mr. SHENKER. We are taking exception to the statement of the chairman, and we are not agreeing to that.

The CHAIRMAN. You can take exception to anything you want to; that's your prerogative.

Mr. SHENKER. All right.

The CHAIRMAN. Call the next witness.

#### TESTIMONY OF BYRON L. CONNELL, MOUNDS, ILL.

The CHAIRMAN. Do you solemnly swear the testimony you will give will be the whole truth, and nothing but the truth, so help you God?

Mr. CONNELL. Yes, sir.

Mr. BURLING. Will you give your full name and address?

Mr. CONNELL. Byron L. Connell, Mounds, Ill.

Mr. BURLING. Before we proceed, are you troubled by the lights; are they bothering you?

Mr. CONNELL. Do you want to make me part of the test case? No; they don't bother me at all.

Mr. BURLING. You are sitting in the chair Mr. Carroll recently vacated?

Mr. CONNELL. Yes, sir.

Mr. BURLING. And you were here when Mr. Carroll refused to testify?

Mr. CONNELL. Yes, sir.

Mr. BURLING. The lights are the same; are they?

Mr. CONNELL. I haven't noticed any change since he left the chair.

Mr. BURLING. And you are able to see the chairman and me without any trouble?

Mr. CONNELL. Yes, sir.

The CHAIRMAN. And you are not blinded or disturbed in any way?

Mr. CONNELL. No, sir.

The CHAIRMAN. And there is no undue excitement that causes you any undue excitement?

Mr. CONNELL. No more than any of the other witnesses.

The CHAIRMAN. In other words, conditions are the same as they have been for the past 2 days?

Mr. CONNELL. So far as I know.

Mr. BURLING. Where do you live?

Mr. CONNELL. Mounds, Ill.

The CHAIRMAN. What county is that in?

Mr. CONNELL. Pulaski County.

Mr. BURLING. Do you now, or did you at any time hold any public office?

Mr. CONNELL. I was formerly State's attorney of Pulaski County.

Mr. BURLING. Did you prepare a report concerning crime conditions in that county?

Mr. CONNELL. I have tried to summarize my knowledge of what has gone on in that particular territory during my experience with it. I was born and raised in Mounds; I am 37—

Mr. BURLING. You are 37 years old and, except for your war duty—were you in the war?

Mr. CONNELL. Yes, sir.

Mr. BURLING. Except for your war duty, you have always lived there—

Mr. CONNELL. Except for those 4 years.

Mr. BURLING. And you are familiar with the entire county.

Mr. CONNELL. Yes, sir.

Mr. BURLING. Suppose you just read to us your statement regarding law enforcement in the county.

The CHAIRMAN. We particularly want any matters mixed up in interstate commerce. How long is the statement sir?

Mr. CONNELL. About 15 to 18 minutes, sir.

The CHAIRMAN. Can I see a copy?

Mr. CONNELL. Yes; here [handing document to chairman].

The CHAIRMAN. The only difficulty I see about this, in looking it over, I mean I haven't had a chance to look it over, and the names you use are in Mounds, Ill., and this hearing is coming pretty near to a close. I am not trying to cover up or hide because I want anybody's name who ought to be brought out but they will not have an opportunity to rebut anything you should say. So, I would rather you would talk about conditions and not people.

Mr. CONNELL. For that reason, I have, in every instance except possible one or two, omitted the name of the particular individual involved.

The CHAIRMAN. All right, sir. Suppose you go ahead.

Mr. CONNELL. And if you will please remember that I am here before the committee only in the interest of good government, not to snitch on anyone, and that my statement will be, of necessity, of a purely general nature regarding Pulaski and Alexander Counties. Those are the two southernmost counties in the State and the only counties with which I might have fairly intimate knowledge.

Mr. BURLING. We call you here because we thought you would do a good job for the citizens of the country and State.

Mr. CONNELL. Cairo is the county seat of Alexander County, at the junction of the Ohio and Mississippi Rivers. Mound City is the county seat of Pulaski County, and is about 8 miles up the Ohio River from Cairo. Alexander County has a population of about 28,000 and Pulaski County about 15,000. Because of its geographical location, Cairo has long been a central point for transportation facilities, including river, rail, and highway. Many of the north-south

highways funnel down through Cairo and, therefore, it serves the entire South and Southwest. The river traffic, particularly in the early days, brought various and sundry transients through the city, often with a stop-over or tie-up of some duration. The boat crews and passengers were usually looking for a good time, so that gambling, card games, and prostitution have existed in Cairo since the Civil War, so far as I have been able to ascertain. Prostitution in the city of Cairo, Ill., has been principally in a segregated district, through the years, and the area known as Thirteenth Street is now well known to many who are not actual residents of Cairo, but may have been transients through Cairo at one time or another.

Some years ago, with regard to this particular area of prostitution known as Thirteenth Street, the good people of one of the churches, I believe it was the Baptist faith, wanted to build a church in the neighborhood. After due deliberation, the city officials decided that the girls had a prior right to the locality, so the church people, if they wished to avoid that, would have to build somewhere else. One of the local madams stated not long ago that the house next door in this district had become a part of a syndicate operating bawdy houses in Peoria, East St. Louis, Centralia, and Mount Vernon, Ill., as well as in Cairo. She further stated that the madam in this syndicate house, so-called, had to pay \$55 per girl per week to the syndicate, for which she is supplied protection and, as a consequence, the price had to be raised to \$10 per visit; but, by joining up with this syndicate, she could secure younger girls from all over the United States, one recent inmate being a French-Canadian coming from the St. Lawrence Valley. Various cab drivers report that they have been requested by the local police not to park in front of the houses, as it attracts too much attention, but to park elsewhere while waiting for their fares who visit these houses.

Since the increased use of trucks on highways as a means of freight transportation, Cairo has also become the center of an enormous liquor traffic business. Several large warehouses are established there, and transshipment en route, complete with reconsignment, is common, with Cairo as the shipment route.

Mr. BURLING. May I interrupt? Isn't it a fact that liquor is sold on an enormous scale, or has been until recently, into Kentucky and Tennessee?

Mr. CONNELL. Yes. Many of these transactions at the large warehouses located in Cairo are strictly legitimate in their nature but a large volume of this liquor is shipped into States which are dry or, perhaps, have a State liquor tax, the payment of which the parties seek to avoid.

Mr. BURLING. This particular liquor, I mean the illegal shipment, is brought into States which have local options and—

Mr. CONNELL. Yes, even within a State there would be some dry counties—

The CHAIRMAN. I might say, in connection with the State of Tennessee, we have had a lot of complaints that some liquor has been shipped from Cairo into dry counties in Tennessee; is that what you refer to?

Mr. CONNELL. Yes, sir; I think that's true, not only with regard to Tennessee but other States and, as a further indication of this traffic that goes into these various States, the State of Georgia recently sued

one of the liquor distributors in Cairo for several hundred thousands of dollars, if I remember correctly, I think it was \$535,000, for taxes.

Mr. BURLING. That must be a matter of public record, so I think we could have the names.

Mr. CONNELL. It was several hundred thousands of dollars, I won't trust my memory to the exact figure, and it was either 6 or 9 months that taxes in the State were alleged not to have been paid to the State of Georgia; that's one distributor alone.

The CHAIRMAN. Where was that brought?

Mr. CONNELL. In the district court of eastern Illinois.

The CHAIRMAN. It was a suit brought against a distributor, that's a matter of public record?

Mr. CONNELL. Probably in his proper name as Joe Wenger.

The CHAIRMAN. Let me make one point clear before we go on: you are a practicing attorney in Cairo?

Mr. CONNELL. In Mounds, Mound City, and Cairo.

The CHAIRMAN. The information you have is factual and information you have gathered about which you know about yourself, is that correct?

Mr. CONNELL. Yes, sir.

The CHAIRMAN. And you were formerly prosecutor for how long in that county?

Mr. CONNELL. I was elected in 1940 and went into service in 1942.

The CHAIRMAN. You are not here with any political ax or any special cause to present, other than in your interest as a good citizen, is that correct?

Mr. CONNELL. I have found I make more money not State's attorney than as State's attorney—

The CHAIRMAN. In other words, we don't want this committee used as a sounding board to help one candidate and try to defeat some one else; you have nothing like that in mind?

Mr. CONNELL. If I had, I would not be here at my own expense.

The CHAIRMAN. You look like an honest man.

Mr. BURLING. I think the record should show the witness is here at the invitation of the committee.

Mr. CONNELL. No; and for that very reason I have attempted to keep this statement free from names so far as possible because I merely consider this particular area typical, so far as I have been able to find out.

This particular suit for Georgia taxes was later dismissed and I think it was on some legal technicality, but many similar shipments are made into the States of Tennessee, Mississippi, Louisiana, and Arkansas, and at one time they even had an Oklahoma route tie-in through these distributor routes at Cairo. So there is definitely interstate business in the city of Cairo. So far, the only action that the Federal Government has apparently been able to take against these distributors, is for failure to maintain proper records, as required by the regulations of the Alcohol Tax Unit, or something of the sort, which is difficult to prove because you can't trace each one of these shipments to their ultimate destinations very easily, not as many as there are.

The CHAIRMAN. Attention has been called to the fact that Mr. Carroll has been remaining in the hearing room until just now, when he

just now left and, apparently, did not find the lights too blinding for his convenience or comfort while sitting in the front row, was it?

MR. BURLING. Yes, sir.

THE CHAIRMAN. The front row of the hearing room. Proceed, Mr. Connell.

MR. CONNELL. As to gambling, there have been slot machines of various types in Pulaski and Alexander Counties for the last 20 years. The particular type of slot machine has varied with the times but some device of that nature has been operating in the two counties as long ago as say 20 years ago. Tip-boards, punchboards, dice games and card games are common, usually in connection with taverns in town and large night clubs located out in the county areas. There was a bookie joint, complete with several telephones, a wall full of scratch sheets, racing forms and the other paraphernalia, formerly operated across the street from the courthouse in Cairo, but it has not been in open operation, I might say, for the last year or two.

Originally, the slot machines in both counties were owned and operated by the individuals owning the establishments in which the slot machines were located, and once in awhile some local syndicate might control the machines in more than one spot over a certain period when that group or syndicate was in a position to obtain some special favor from the local law-enforcing agencies because they had done some favor in return, and about the extent of the favor that the officials did them was the policy of noninterference by the officials in the conduct of the gambling.

MR. BURLING. Mr. Chairman, may I note that Mr. Carroll apparently has returned and again finds the lighting sufficiently comfortable for him to sit in the front row.

THE CHAIRMAN. We are glad to have Mr. Carroll back in the hearing room. Go ahead.

MR. CONNELL. In these instances where some particular group operated more than one spot containing the machines, there were in the earlier days no actual open payments to the local taxing bodies, no payments were made directly to the city of Cairo and the county of Pulaski, except for occasional fines, which fines later on came fairly regular in their occurrence, almost at stated intervals. The payments to the officials themselves seem to have been during the early period taken the form of either campaign contributions or political support of a practical nature, through control of the votes of the various shills, barflies and other hangers-on around these taverns, in which these gambling devices were located or the card games or crap games.

In Pulaski County, when I was elected State's attorney in November 1940, there had been no complete record of receipts and disbursements filed by the State's attorney's office for more than 12 years, so that it was considered a little novel and perhaps a little queer that I should institute the practice of reporting all fines and other moneys received and requiring that such fines as were levied be levied on the basis of a complaint and warrant duly processed through either the county court or some justice of the peace; and this practice was continued throughout my term of office, which continued up through 1944, even though I was in the service of the United States from the early part of 1942 on. The same practice was continued, of complaint, warrant, appearance, plea of guilty, assessment or levy of fine by the judge or justice of the

peace, payment of that fine and accounting of that fine to the county itself.

Beginning in 1944, my successor in office well say varied the procedure somewhat, so that the gamblers were notified that from then on they would be expected to make donations or contributions to the county—and these words are in quotes and were used by him in explaining what the items were. They were donations or contributions to the county and they were told just what those amounts were to be if the place expected to operate. The payment was to be made to the sheriff or State's attorney and when I got back in 1946, it was a common sight to see the typical low-slung Cadillacs from the various night clubs drive up to the courthouse and have the fellow in the Cadillac insist on seeing the sheriff and the sheriff only, he didn't want to see any one else.

The CHAIRMAN. Let's get along a little faster.

Mr. CONNELL. This arrangement had become very lucrative during the period of World War II and the postwar easy money period. Several large casinos were built and others enlarged, some of them costing in excess of \$150,000 each. They were particularly well located and attracted gamblers from not only southern Illinois but from farther north in Illinois and in western Kentucky and southeast Missouri, because Cairo is at the junction of the three States and they go to one or the other of the particular spots. They had dance bands in some spots all the way from 8 to 15 pieces play nightly, served good food at reasonable prices and made every effort to place these slots, roulette wheels, blackjack games and so forth on a genteel basis or gentlemanly basis; it was a business not a racket.

The net proceeds at times, would amount to as much as eight to ten thousand dollars per evening at each one of these larger spots and the owner of one of the largest of the clubs stated that at one time in 1946 he was paying \$3,500 per month for protection; so it is no small operation. Even a rough estimate of the amount paid for protection is difficult to arrive at, as the State's attorney, when accounting to the court stated he had kept no record of the receipts but he knew he must have received at least \$50,000, as he had turned that much over to the county treasurer. He denied he had ever received a dime personally from the gamblers but refused to speak for the other officials.

About 1945 these gambling operations had become of such scope that various syndicates from East St. Louis, Evansville, Ind., and Louisville, Ky., sent representatives into the area to contact the owners of the places, get them lined up, and get a portion of the revenue they were enjoying. At first they were issued a mild warning—

Mr. BURLING. I wonder if you could get along a little more rapidly. Suppose you just hit the high spots?

Mr. CONNELL. They tried them once, when a bundle of dynamite was placed up against a building with a half-burned fuze attached and if that didn't work—this by one of the fellows you mentioned here, Roy Armes, who was supposed to be working for Buster Wortman at the time the deed was done. After this episode the club operated, but on a very small scale. They did complete this through deals in these other taverns, because before long here came some of the representatives from outside the area who brought into the clubrooms containing the gambling lay-outs and took up—

Mr. BURLING. Can you leave the text and just sort of hit the high spots?

Mr. CONNELL. One fellow has acquired the exclusive right to two or three of these spots and he is the head of their gang at the present time. He got one of his spots after the fellow who owned it before killed an ex-bootlegger from Tennessee—

Chairman KEFAUVER. This was all hard on Tennessee.

Mr. CONNELL. Yes, sir. And they held an inquest on the spot at 4 or 5 o'clock in the morning after the owner called the sheriff. They picked up some poker players at one of the games for a jury and the fellow that shot him testified, and the bartender and the coroner's jury found without fault and they told him he better get out of town; so the other new operator moves in and takes over. And in this same place, a little later on, which might be of interest to the committee, they held a rifle and shotgun on an entire visiting baseball team from Champaign, Ill., and let a couple of employees work them over with chairs and table legs.

Since the State administration has cracked down on but has let out clubs operated by recognized social and charitable organizations, such as the Elks, Moose, Eagles, Knights of Columbus, and these so-called charitable and eleemosynary institutions, the gamblers have been quick to pick that up because this "King" has now recommended that these night clubs organize as clubs, furnish keys to members for 35 cents, and you are then a member and apparently you need a search warrant to get into the clubroom.

These illicit profits provide moneys for the election of those local politicians that want to go along with the boys and from time to time various officials down there have been indicted in the Federal court for vote frauds and things of that sort. And this State's attorney was objected to for his failure to itemize receipts from these gambling operators, complaints against the gamblers were filed in the county court, and the Illinois State Bar Association recommended disbarment of the State's attorney but the supreme court gave him 90 days' suspension from the practice of law, and the ex-county clerk paid a fine for the vote fraud, and they discharged the county judges and election judges, nothing they could hold them for. The reports were O. K.'d by the supreme court, in spite of the fact he stated he kept no receipt or disbursement record.

It has just reached a point where a lot of citizens feel the fix is always in and that perhaps these gamblers and evil politicians are just things with which they must live and that they will only get themselves in trouble if any objection is made to this way of life.

The operators' costs have gone up, so that if there were ever any straight deals, they have had to resort more and more to the use of crooked means, such as percentage dice, fixed roulette wheels, slick dealers, and strong-arm tactics in order to increase their income and be able to pay off whatever protection may be necessary. For instance, once in a while a fellow, by some mistake, wins, as one did once upon a time in Pulaski County, won \$3,000, and he was followed into Kentucky, knocked down, and the \$3,000 was retrieved.

The CHAIRMAN. Wasn't that some chap from Memphis, Tenn.?

Mr. CONNELL. My understanding was that he did come up from Bardwell, Ky.; where his original home was, I am not certain. But he was hit over the head by the son of the proprietor of the gambling

joint and this sum of \$3,000 retrieved from him. Just the idea that the entire governmental and law-enforcement structure has been permeated with this idea of connections and you have to be a right guy to secure enforcement of what normally used to be considered your constitutional rights. The only solution appears to me to be some sort of adequate legislation and that in itself will not be effective unless you do couple that with a rigid enforcement of the law which, in our own particular area, is what is lacking, many of them taking the same position that the sheriff did who testified here today: Let well enough alone, as long as it is in someone else's technical jurisdiction.

Mr. BURLING. Is it true that there was a period of 7 years in which no criminal cases ever went to the jury, that is, a person charged or indicted either pleaded guilty or received a *nolle pros* or *nolle prosequi*?

Mr. CONNELL. That's true, with one, possibly two, exceptions. There may have been two cases that were actually tried in a circuit court with a jury and one of those in particular, I remember, is where the bondsman of the individual involved wanted to punish him for running off and he hired an assistant to the prosecuting attorney to help prosecute that one.

Mr. BURLING. With the exception of that case and one other, for a period of 7 years every criminal down there took a plea—

Mr. CONNELL. Or is now out on bond, a sheriff's recognizance; I think two or three hundred people are out on what, if investigation were made, would be found to be straw bonds. Their feet are on the ground and they paid for that privilege and they are not due back unless some upheaval occurs.

The CHAIRMAN. You feel, then, that there are interstate operations in prostitution, wire services, gambling games, people operating them and bringing them in from other States, also in the transportation of liquor outside of the State?

Mr. CONNELL. Yes, sir. There was one large automobile dealer down there, he operated throughout the United States. He did serve time, I think, in the United States penitentiary for violations of price ceilings in the course of the last war.

The CHAIRMAN. Possibly the majority of the people are like you, they don't like these sort of things?

Mr. CONNELL. They don't like them but, when they see those engaged in them prospering and when they are attempted to be brought to justice see some one looking the other way or smiling and allowing them to continue, they think that's the popular thing to do or at least if you are not going to go along with it, you had better keep your mouth shut.

The CHAIRMAN. But, anyway, the criminal group are organized and the people aren't very well organized!

Mr. CONNELL. It shows just exactly what can be accomplished by an organized small minority.

The CHAIRMAN. And it is a very small minority that gets by with this thing?

Mr. CONNELL. Yes, sir, I would say it is, relatively speaking, I would say a little higher down there, I would say 10 percent of the people are involved in the operation or employed by someone involved

in the operation of these illicit businesses, or some legitimate business which has been bought by the operator from the profits of the original illicit operation.

The CHAIRMAN. Well, now, Mr. Burling has handed me a very interesting card which you brought up here, which says [reading]:

Every Monday night Head and Head Crap Game Club, El Morocco, 5 miles north of Cairo on Highways 37 and 51.

That apparently has been posted on a telephone pole?

Mr. CONNELL. Telegraph pole; yes, sir.

The CHAIRMAN. Did you bring that up?

Mr. CONNELL. That was furnished by one of the investigators; I have seen—

The CHAIRMAN. I mean by you?

Mr. CONNELL. I saw not only that one but many of them. Monday night is a dull night for the outside trade.

The CHAIRMAN. Do many of the clubs put up notices on the telephone poles?

Mr. CONNELL. This particular one posted that one, because, as I say, Monday night was a dull night, so proprietors of other clubs got together and had their head-to-head crap games to attempt to win from the other operators what they had taken from the suckers during the week.

The CHAIRMAN. How does this head-and-head crap game operate?

Mr. CONNELL. No house, no bankroll behind it, bets are fitted to the shooter, they are just between the different shooters—

The CHAIRMAN. That's the operator's night?

Mr. CONNELL. Yes, sir; postman's holiday.

The CHAIRMAN. Let's make this an exhibit, it is very interesting and we appreciate your interest in coming up here and giving us the information.

Mr. CONNELL. Thank you.

(See exhibit No. 59, on p. 825 of the appendix.)

#### TESTIMONY OF ANTHONY LOPIPARO, ST. LOUIS, MO., ACCOMPANIED BY CECIL BLOCK, ATTORNEY, ST. LOUIS, MO.

The CHAIRMAN. Is this your attorney?

Mr. LOPIPARO. Yes, sir.

The CHAIRMAN. And your last name?

Mr. BLOCK. Cecil Block.

The CHAIRMAN. Attorney at law, St. Louis?

Mr. BLOCK. Yes, sir.

The CHAIRMAN. Will you hold up your hand, Mr. Lopiparo? Do you solemnly swear the testimony you will give this committee will be the whole truth, and nothing but the truth so help you God.

Mr. LOPIPARO. Yes, sir.

The CHAIRMAN. We have just a few questions we want to ask you.

Mr. BURLING. In what operation are you engaged, Mr. Lopiparo?

Mr. LOPIPARO. Anthony Novelty.

Mr. BURLING. And what does the Anthony Novelty do?

Mr. LOPIPARO. Phonograph and pin games.

The CHAIRMAN. Can't you talk a little louder, sir? You are a great big man and raise your voice.

Mr. BURLING. Where were you born?

Mr. LOPIPARO. St. Louis, Mo.

Mr. BURLING (to Mr. Block). That microphone only goes out, it doesn't help us at all.

Mr. BLOCK. Oh, just a minute, I was trying to assist this fine committee.

Mr. BURLING. Trying to do what?

Mr. BLOCK. Trying to assist this fine committee, so I moved the microphone.

The CHAIRMAN. Just get your witness to speak louder and you will be assisting the committee.

Mr. BLOCK (to witness). Speak louder, please.

Mr. BURLING. Now, what we particularly want to know is about a visit you made to Tijuana, Mexico; have you ever been there?

Mr. LOPIPARO. I stand on my constitutional rights, sir, I don't care to answer that.

Mr. BURLING. Just a minute. Any crime you may have committed in Tijuana, which I believe is in the State of—well, anyway, one of the States of Mexico—is not an offense punishable here, so you could not incriminate yourself.

Mr. LOPIPARO. I refuse to answer.

The CHAIRMAN. We hate to have any trouble with you, sir, but if you are looking for it—we'll go on with a lot of questions, we only wanted to ask you two or three questions.

Mr. LOPIPARO. I refuse to answer.

Mr. BURLING. We only asked you about what you did to the south of United States territory, in Mexico, do you understand that, sir?

Mr. LOPIPARO. I told you I am afraid I might charge a felony charge; I refuse to answer.

Mr. BURLING. You don't think you have a privilege not to answer here—

Mr. LOPIPARO. That's the way I feel.

Mr. BURLING. Don't interrupt me, please.

Mr. LOPIPARO. That's the way I feel.

Mr. BURLING. I am sorry for the way you feel—well, not very sorry—but, at any rate, you know, do you not, that you have no privilege here against incriminating yourself in Mexico and I don't intend to ask you anything about what you did outside of Mexico for the moment; when we get back to the United States, that's another matter, but now we are in Mexico, do you understand that, sir?

Mr. LOPIPARO. I—

Mr. BURLING. You surely haven't got a lawyer who will tell you you have got a privilege against incriminating yourself in Mexico?

Mr. BLOCK. Of course, I am incompetent but that's a matter for the witness to judge himself. We don't know if his answer might incriminate him before he arrived in Tijuana and I think this witness is the only judge of what he might answer as to whether or not it will incriminate him.

Mr. BURLING. Frankly, sir, a Federal court in this very building will be the judge if we proceed this way.

Mr. BLOCK. Of course, that's a far-fetched proceeding, Mr. Burling.

Mr. BURLING. At any rate, do you understand I am not asking you anything except what went on in Mexico, a foreign country?

Mr. LOPIPARO. Well, I don't care to answer any questions.

Mr. BURLING. Would it incriminate you if I asked you where Tijuana is?

Mr. LOPIPARO. I don't know.

Mr. BURLING. Have you ever been there?

(No answer.)

Mr. BURLING. Have you ever been there?

Mr. LOPIPARO. I don't care to answer that.

Mr. BURLING. Whether you care to answer—do you refuse to?

The CHAIRMAN. We'll make you this proposition, Mr. Block, we don't want to have any more trouble with people than we have to. Outside of the testimony he has given, our questions will be directed to what he did in Mexico, aside from his criminal record, which is a matter of public record. The questions that will be asked the witness from now on, aside from putting his criminal record in the record, will all have to do with what he did in the Republic of Mexico and not with what he did in the United States of America. Let the record show that that will be the direction of the questions.

Mr. BURLING. Again I ask you: where is Tijuana?

Mr. LOPIPARO. I want to stand on my constitutional rights.

The CHAIRMAN. Well, the chairman directs you to answer that.

Mr. LOPIPARO. Well, I don't want to answer it.

Mr. BURLING. In order to lay a proper foundation for this, Mr. Chairman, I think we should read into the record why it is pertinent for me to inquire into what happened in Tijuana.

The CHAIRMAN. Let's hear two or three more questions.

Mr. BURLING. May I make an offer of proof?

The CHAIRMAN. Let's be sure he refuses to answer.

Mr. LOPIPARO. I do, I can tell you now I don't want to answer.

The CHAIRMAN. You have been asked the question: "Where is Tijuana, Mexico," what is your answer?

Mr. LOPIPARO. I want to stand on my constitutional rights.

The CHAIRMAN. Do you refuse to answer, or not?

Mr. LOPIPARO. Yes; I refuse.

The CHAIRMAN. You are directed to answer; do you understand that?

Mr. LOPIPARO. Well, haven't I got a constitution?

The CHAIRMAN. Well, you seem to have a pretty healthy constitution, but your constitution doesn't go with you down to Mexico. Now, let's have another question.

Mr. BURLING. Have you been in Tijuana, Mexico?

Mr. LOPIPARO. I refuse to answer.

The CHAIRMAN. You are directed to answer; do you refuse to follow the direction of the Chair?

Mr. LOPIPARO. I refuse to answer; it might incriminate me.

Mr. BURLING. Will you give any ground whatever to the committee as to how whether or not you have been in Tijuana, Mexico, might incriminate you?

Mr. BLOCK. I believe the answers—

The CHAIRMAN. Wait a minute. What did you say, Mr. Witness?

Mr. BURLING. May we have the reporter—

The CHAIRMAN. Did you say you didn't know how it would incriminate you?

Mr. LOPIPARO. No; I said it might incriminate me.

Mr. BURLING. I asked you how it could conceivably incriminate you, or words to that effect, and you said "I don't know," and Mr. Block interrupted you; isn't that true?

The CHAIRMAN. Ask him again if he knows how it might incriminate him.

Mr. BLOCK. For the purpose of the record: I believe it is beyond the scope of the committee's authority to inquire of this witness what he did if he was outside of the continental United States and not in a possession or Territory of the United States, as to what he did if he was a visitor at any time in Mexico; I believe it outside the scope and beyond the authority conferred on this committee in the resolution empowering the committee to act.

Mr. BURLING. Before we finish with this witness, I will make a full showing how this is within the authority granted by Senate Resolution 202 and how the interrogation is pertinent.

Will you explain how it might conceivably incriminate you to answer whether or not you have ever been in Tijuana, and will you let the witness answer?

Mr. BLOCK. Just a minute—

Mr. BURLING. Excuse me—

Mr. BLOCK. No, excuse me—

Mr. BURLING. Wait a minute—

Mr. BLOCK. This hearing should be conducted in a manner as befits a senatorial committee and this witness shouldn't be browbeat and embarrassed.

Mr. BURLING. Just a minute—

Mr. BLOCK. This witness is the sole judge of what might tend to incriminate him and merely because you might overshout him or myself doesn't give you any more authority than a court of record and this witness is the only one that can say whether the answer will incriminate him: and I believe the Senator should advise him of his constitutional rights instead of letting him be browbeat by its counsel.

The CHAIRMAN. Nobody browbeat anybody and nobody shouted except you. The witness has good counsel, I am sure; I have never seen you before, but I am sure you have advised him of his constitutional rights. We are trying to ask questions about things we have a right to know and the witness can either answer or not answer and if he doesn't that will be a matter of—

Mr. BURLING. I would say to counsel the reason I was trying to stop him from speaking is that it is well recognized that the refusal to answer on the ground of incrimination must be made solely by the witness and is not properly taken by counsel, the witness must make it himself.

The CHAIRMAN. Read the question and let's get on.

(Whereupon the reporter read the question as follows: "Will you explain how it might conceivably incriminate you to answer whether or not you have ever been in Tijuana?")

The CHAIRMAN. Mr. Witness, will you pay attention now to the question? Please read it slowly.

(Whereupon, the reporter read the question a second time.)

The CHAIRMAN. Do you understand the question?

Mr. LOPIPARO. No; I don't understand.

The CHAIRMAN. Well, quit looking at what your lawyer is writing and pay attention to us up here asking questions and I think you will get it all right.

Mr. BURLING. I will put the question once more.

Will you explain to the committee so that it can be guided and so that the chairman may know whether or not the question violates your constitutional privilege, how answering the question, whether or not you have ever been in Tijuana, Mexico, might conceivably incriminate you?

Mr. LOPIPARO. I refuse to answer.

Mr. BURLING. You refuse to give the committee any help whatever in understanding—

Mr. LOPIPARO. I can't. It might incriminate me. I might be—

Mr. BURLING. Will you stop, please, until I finish the question, sir?

You will not give the committee even a hint as to how refusing to answer the committee's question might incriminate you?

Mr. BLOCK. Now, you may state your answer.

The CHAIRMAN. Well, I told you to answer. Answer up.

Mr. LOPIPARO. It might incriminate me. It might be a Federal offense.

Mr. BURLING. I said, how. The law, of course, in my opinion, requires you to state how, but I don't want to argue the law with you or with your lawyer, but if I am right and you are taking a chance gambling on this, I think the law requires you to say how it might incriminate you. You are to give some sensible explanation. Will you do so?

Mr. BLOCK. Senator—

Mr. BURLING. Will you wait until the witness answers?

Mr. BLOCK. Yes. I want to make a statement in the record.

The CHAIRMAN. Wait until the witness answers. Mr. Witness, will you look this way? Will you answer that question or not? Let's get the record straight.

Mr. LOPIPARO. I told you once it might incriminate me.

The CHAIRMAN. Well, are you refusing to answer?

Mr. LOPIPARO. Yes.

The CHAIRMAN. You are ordered to answer. You understand that. Do you refuse to follow the order of the chairman?

Mr. LOPIPARO. It might incriminate me.

The CHAIRMAN. I say, do you refuse to follow—

Mr. LOPIPARO. Well, it might incriminate me; that is all I am telling you.

The CHAIRMAN. My question is, I want an answer, whether you refuse or whether you don't refuse to follow the direction of the chairman to answer that last question?

Mr. LOPIPARO. It might incriminate me.

The CHAIRMAN. Answer "Yes" or "No," whether you will or not.

Mr. LOPIPARO. No.

The CHAIRMAN. Now, you want to make some observations?

Mr. BLOCK. Yes sir. If the Senator please, the witness would apparently open a field of inquiry and I don't believe he is required to give the reason, the basis for the reason he has formed in his mind, if he answers it, that his refusal to answer the question may incriminate him in the violation of a Federal statute, I think that is grounds for protection and the committee should afford him that protection.

Mr. BURLING. That is your view of the law.

The CHAIRMAN. We have been in this matter a long time. You have, too. Let's understand one another. Let's get on.

Mr. BURLING. Were you arrested in 1931 on suspicion of robbery?

Mr. LOPIPARO. I don't know.

Mr. BURLING. You don't know?

Mr. LOPIPARO. I don't remember.

Mr. BURLING. It just slipped your mind.

Mr. BLOCK. A little louder. Speak up so he can hear you.

The CHAIRMAN. Speak up.

Mr. LOPIPARO. I don't remember.

Mr. BURLING. How about a prohibition charge in 1934, called violation of internal-revenue law?

Mr. LOPIPARO. I don't remember.

The CHAIRMAN. Speak up.

Mr. BURLING. Weren't you fined \$200 and sentenced to 6 months in the St. Charles, Mo., jail? You could not have forgotten that, could you?

Mr. LOPIPARO. I might of.

Mr. BURLING. You can't remember.

Mr. LOPIPARO. I might have forgot it.

Mr. BURLING. Well, did you or did you not forget it?

Mr. LOPIPARO. I might have forgot it.

Mr. BURLING. You could or you could not, but did you?

Mr. LOPIPARO. Yes. I forgot it.

Mr. BURLING. You don't remember?

Mr. LOPIPARO. No; I don't remember.

Mr. BURLING. Mr. Chairman, in addition to being in contempt I think the witness is in danger of a perjury indictment, too. I suggest you admonish him. He now forgets whether he spent 6 months in jail.

The CHAIRMAN. Well, I must advise you, and I am sure your attorney will advise you also, that failure to testify about something that is quite obvious, that you know about one way or the other, can constitute perjury as well as saying something falsely.

Mr. BLOCK. I am willing to concede if the Senator has the record of this gentleman's past life it may be read in the record.

The CHAIRMAN. We want to ask him about it. See whether we got it right or not.

Mr. LOPIPARO. I don't know.

The CHAIRMAN. Go ahead, Mr. Burling. Read what it says.

Mr. BURLING. Listen carefully, and you can confer with your lawyer as I am sure you will have occasion to do later, but will you just listen to me now? April 1, 1934, held by United States marshal, this city, charge of violating the internal-revenue law. On March 28, 1935, was sentenced to 6 months in St. Charles, Mo., jail and was fined \$200. Is that right or wrong?

Mr. LOPIPARO. I believe so. I don't know.

Mr. BURLING. You believe that is right. It has come back to you?

Mr. LOPIPARO. That is right.

Mr. BURLING. Fine. Now, how about an arrest in 1942, on a narcotics charge; do you remember that one?

Mr. LOPIPARO. Yes.

Mr. BURLING. And in 1943, another narcotics charge; do you remember that?

Mr. LOPIPARO. 1943?

The CHAIRMAN. Speak up a little bit.

Mr. LOPIPARO. I am trying to think. I will tell you when I remember it.

Mr. BURLING. Well, take a minute and reflect.

The CHAIRMAN. All right. We will go on.

Mr. BURLING. It is not a matter of legal discussion.

Mr. LOPIPARO. No. I am trying to remember.

Mr. BLOCK. I am advising the witness to recall to the best of his ability whether he recalls that incident or not.

The CHAIRMAN. Mr. Block, suppose you move down this way a little bit, and speak up when you want to make an objection; and when you want to have a conference tell me so, and we will let you get back together.

Mr. BURLING. How about an arrest in 1943 on a charge of perjury?

Mr. LOPIPARO. I don't know if I had a perjury charge or not. I was arrested. I don't know if they put a perjury charge on me or not.

Mr. BURLING. Well, the United States marshal in Kansas City arrested you, did he not?

Mr. LOPIPARO. Yes; I was arrested. I don't know if I was on a perjury charge or not.

Mr. BURLING. What did he arrest you for?

Mr. LOPIPARO. I don't know.

Mr. BURLING. No recollection of that either?

Mr. LOPIPARO. No.

Mr. BURLING. And again in 1945, an arrest on a narcotics charge; do you remember that one?

Mr. LOPIPARO. 1945?

Mr. BURLING. Yes.

Mr. LOPIPARO. At the time they arrested me they might book me for that, but I don't remember it in 1945.

Mr. BURLING. When you get booked in a police station—

Mr. LOPIPARO. They are liable to book you for anything, I don't know.

Mr. BURLING. Please don't interrupt me. Wait until I ask the question, then you answer it. When you get booked aren't you interested enough to inquire what the charge is?

Mr. LOPIPARO. It don't do you no good.

Mr. BURLING. Well, 1949 is the last arrest; what was that for?

Mr. LOPIPARO. 1949, I think they picked me up for suspicious.

Mr. BURLING. For suspicious person?

Mr. LOPIPARO. I guess so.

The CHAIRMAN. Now, Mr. Burling, you were asking questions about whether he had ever heard of Tia Juana, whether he had ever been there; have you ever been out of the United States?

Mr. LOPIPARO. Yes.

The CHAIRMAN. Where did you go to when you went out of the United States?

Mr. LOPIPARO. Tia Juana.

The CHAIRMAN. Then you have been to Tia Juana?

Mr. LOPIPARO. Yes.

The CHAIRMAN. All right. Maybe he is going to tell us about it after all, Mr. Burling. So go ahead.

Mr. BURLING. Who did you meet in Tia Juana?

Mr. LOPIPARO. There is a lot of people there.

Mr. BURLING. Name some of them, will you?

Mr. LOPIPARO. I don't remember who they were.

Mr. BURLING. Were you picked up by the Tia Juana police?

Mr. LOPIPARO. I was.

Mr. BURLING. So that is an additional arrest. It does not show on the St. Louis Record; is that right?

Mr. LOPIPARO. I don't know if it does or does not.

Mr. BURLING. I didn't read it to you anyhow.

Mr. LOPIPARO. I don't know.

Mr. BURLING. And you didn't tell me about it. What other times have you ever been arrested that I have not mentioned?

Mr. LOPIPARO. I don't know.

Mr. BURLING. You don't remember?

Mr. LOPIPARO. I don't remember.

Mr. BURLING. Well, who were you arrested with in Tia Juana?

Mr. LOPIPARO. Who was I arrested with?

Mr. BURLING. Yes; there were a lot of you, you just said that yourself.

Mr. LOPIPARO. Yes; but I was arrested by myself.

Mr. BURLING. You were all alone?

Mr. LOPIPARO. Yes.

Mr. BURLING. Well, were you in the Tia Juana motel?

Mr. LOPIPARO. Yes; I lived there.

Mr. BURLING. How long did you live there?

Mr. LOPIPARO. Oh, maybe 2 weeks, 3 weeks.

Mr. BURLING. What were you doing there?

Mr. LOPIPARO. Just staying there.

Mr. BURLING. Well, what for?

Mr. LOPIPARO. Well, I was sick at the time.

Mr. BURLING. You left St. Louis and went to a motel in Mexico?

Mr. LOPIPARO. Yes.

Mr. BURLING. To recover from your illness?

Mr. LOPIPARO. Yes; the weather was colder, I believe.

Mr. BURLING. And you were there with Guiseppe Gianacola? Is that correct?

Mr. LOPIPARO. I don't know him. It is a big motel. There is a lot of people stayed there, but I didn't know their names.

Mr. BURLING. But you all got arrested at the same time?

Mr. LOPIPARO. No, we didn't. No, we didn't. I got arrested by myself.

Mr. BURLING. Well, let's put it this way: Do you know Guiseppe Gianacola?

Mr. LOPIPARO. No.

Mr. BURLING. How about Guiseppe Cataldo?

Mr. LOPIPARO. No; I don't know, no.

Mr. BURLING. Does it help you if I suggest Cataldo might be a San Francisco criminal?

Mr. LOPIPARO. I don't know him.

Mr. BURLING. How about Yokimo Corolla, was he arrested there?

Mr. LOPIPARO. I don't know him.

Mr. ROBINSON. How about Frank Bompensiero of San Diego, is that a name you recognize?

Mr. LOPIPARO. Yes.

Mr. ROBINSON. Do you know him?

Mr. LOPIPARO. Yes; I know him.

Mr. ROBINSON. Did he ever loan you any money?

Mr. LOPIPARO. Yes.

Mr. ROBINSON. How much money?

Mr. LOPIPARO. I believe it was two hundred.

Mr. ROBINSON. On what occasion?

Mr. LOPIPARO. I was broke and I needed it.

Mr. ROBINSON. Can we fix the date?

Mr. LOPIPARO. No. I can't remember the date.

Mr. ROBINSON. The records of the motel would indicate the date that you were in Tia Juana?

Mr. LOPIPARO. Yes; I was in Tia Juana.

Mr. ROBINSON. Did you go to the tracks in California with it?

Mr. LOPIPARO. Yes; I went there.

Mr. ROBINSON. In company with Bompensiero?

Mr. LOPIPARO. I met him down there.

Mr. ROBINSON. Who else was in the company?

Mr. LOPIPARO. There was a lot of people, I couldn't recall their names.

Mr. ROBINSON. I mean on that particular track, who did you go with?

Mr. LOPIPARO. I went by myself to the track.

Mr. ROBINSON. On money you borrowed from Bompensiero?

Mr. LOPIPARO. I borrowed money from him.

Mr. ROBINSON. Who is Bompensiero?

Mr. LOPIPARO. Some tavern owner in San Diego.

Mr. ROBINSON. He owns the Golden Rail in San Diego?

Mr. LOPIPARO. Yes.

Mr. ROBINSON. Do you know who his partners are in the Golden Rail?

Mr. LOPIPARO. No, I don't.

Mr. ROBINSON. You don't know that they are the Dragnas of Los Angeles?

Mr. LOPIPARO. No; I don't.

Mr. ROBINSON. Did you meet on that occasion Mr. Frank Coppola?

Mr. LOPIPARO. Met him in Tijuana.

Mr. ROBINSON. Known as Three-Finger Frank?

Mr. LOPIPARO. I know him as Frank.

Mr. ROBINSON. You met him in Tijuana on that occasion?

Mr. LOPIPARO. On what occasion?

Mr. ROBINSON. On the occasion you were at the motel down there?

Mr. LOPIPARO. Oh, no.

Mr. ROBINSON. Can you tell me any of the other individuals who were down there?

Mr. LOPIPARO. No; I don't—

Mr. ROBINSON. Was there anybody from St. Louis with you?

Mr. LOPIPARO. Nobody.

Mr. ROBINSON. Weren't you driving Mr. Carena's car?

Mr. LOPIPARO. I was driving his car, but I borrowed it off him.

Mr. ROBINSON. You borrowed it?

Mr. LOPIPARO. That is right.

Mr. ROBINSON. He was not there?

Mr. LOPIPARO. That is right.

Mr. ROBINSON. Were you fingerprinted at the time the Police Department took you in?

Mr. LOPIPARO. That is right.

Mr. ROBINSON. The records of the Tijuana Police Department then would show what that booking was as to what individuals were in company with you on that occasion?

Mr. LOPIPARO. There wasn't anyone with me.

Mr. ROBINSON. Now, Mr. Chairman, if you wanted to put that on file.

Mr. Lopiparo, you were in company with Mr. Corolla on that occasion?

Mr. LOPIPARO. Corolla?

Mr. ROBINSON. Do you know Mr. Corolla?

Mr. LOPIPARO. No.

Mr. ROBINSON. Getting back to Mr. Coppola, do you know where he comes from?

Mr. LOPIPARO. Frank?

Mr. ROBINSON. Yes.

Mr. LOPIPARO. He was from St. Louis. I know him from St. Louis.

Mr. ROBINSON. You know him from St. Louis?

Mr. LOPIPARO. That is right.

Mr. ROBINSON. Is he more prominently identified with Kansas City more so than St. Louis?

Mr. LOPIPARO. No; not that I know of.

Mr. ROBINSON. And you went down there on that occasion for a vacation or your health?

Mr. LOPIPARO. My health.

Mr. BURLING. You can't fix the date at all when you were arrested by the Tijuana police?

Mr. LOPIPARO. No; I can't.

Mr. BURLING. Well, what year was it?

Mr. LOPIPARO. I don't remember when it was.

Mr. BURLING. Wasn't it last year?

Mr. LOPIPARO. I don't remember.

Mr. BURLING. A little less than a year ago; do you agree with that?

Mr. LOPIPARO. No; I think it was longer.

Mr. BURLING. Well, how about February 28, 1950, if that is what our record shows, would you admit it? That is wrong, is it?

Mr. LOPIPARO. I guess so.

Mr. BURLING. I can't hear you, sir.

Mr. LOPIPARO. I guess it is wrong because I don't remember.

Mr. BURLING. It is wrong because you don't remember.

Mr. LOPIPARO. That is right.

Mr. BURLING. But you don't remember what other date it was?

Mr. LOPIPARO. No.

Mr. BURLING. Did you know Charley Binaggio?

Mr. LOPIPARO. Yes; I know him.

Mr. BURLING. Ever meet him?

Mr. LOPIPARO. Yes.

Mr. BURLING. Did you ever attend a meeting where it was agreed that he be murdered?

Mr. LOPIPARO. No.

Mr. BURLING. Wasn't that what was going on in this motel in Tijuana?

Mr. LOPIPARO. No.

The CHAIRMAN. Well, answer up, sir.

Mr. LOPIPARO. No.

Mr. BURLING. You are sure of that?

Mr. LOPIPARO. Positive.

Mr. BURLING. You can't remember when you were in Tijuana or who was there, but you can remember that?

Mr. LOPIPARO. That is right.

The CHAIRMAN. Well, you remember when Charley Binaggio was murdered, don't you.

Mr. LOPIPARO. I read it in the paper.

The CHAIRMAN. Where were you then?

Mr. LOPIPARO. Here.

The CHAIRMAN. When did you go to Tijuana, before or after that?

Mr. LOPIPARO. Oh, I think I was there before.

The CHAIRMAN. Just before that?

Mr. LOPIPARO. Yes.

The CHAIRMAN. And you did have a meeting there with some of the people, this fellow Coppola from Kansas City and from here?

Mr. LOPIPARO. There wasn't no meeting.

The CHAIRMAN. Well, you saw him there.

Mr. LOPIPARO. I saw him there, that is right.

The CHAIRMAN. There was some bar, what is the name of it, or some eating place, Caesar's Restaurant, do you remember that?

Mr. LOPIPARO. Yes.

The CHAIRMAN. And that was the meeting place for quite—you would meet several people there, wouldn't you, this fellow from San Diego that loaned you some money?

Mr. LOPIPARO. He would come down there with his wife, and he would eat there.

The CHAIRMAN. And Gallo wasn't there at Caesar's Bar?

Mr. LOPIPARO. I don't know. I don't know Gallo.

The CHAIRMAN. You don't remember Gallo?

Mr. LOPIPARO. I don't know him. Even if I seen him I wouldn't know who he was.

The CHAIRMAN. And Bompensiero, he was the fellow that loaned you some money?

Mr. LOPIPARO. That is right.

The CHAIRMAN. How long had you known him?

Mr. LOPIPARO. Oh, since I been down there.

The CHAIRMAN. How many trips have you made to Tijuana?

Mr. LOPIPARO. Oh, once or twice, I believe.

The CHAIRMAN. Is there any particular reason for this meeting this time? Do you know a fellow named Cataldo?

Mr. LOPIPARO. No.

The CHAIRMAN. Do you?

Mr. LOPIPARO. No.

The CHAIRMAN. Speak up so we can hear you. How about Cosolla?

Mr. LOPIPARO. I don't know him neither.

The CHAIRMAN. Do you know him?

Mr. LOPIPARO. No.

The CHAIRMAN. You didn't see him at Tijuana?

Mr. LOPIPARO. I don't know who he is. He might have stayed there at the motel, but I don't know who he is. There was quite a few people got arrested down there.

The CHAIRMAN. Most of these people that you saw down there have been in narcotics one way or another, haven't they, off and on?

Mr. LOPIPARO. That I don't know. I don't know their business.

The CHAIRMAN. Now, isn't that some of the things you discussed while you were down there?

Mr. LOPIPARO. No. I went down there for my sickness. I was sick and I went down there.

The CHAIRMAN. What did you go down there for the other times?

Mr. LOPIPARO. For the same thing.

The CHAIRMAN. Sickness?

Mr. LOPIPARO. That is right. It is a warm climate down there.

The CHAIRMAN. Is that where you always go?

Mr. LOPIPARO. Yes.

The CHAIRMAN. Whenever you are sick?

Mr. LOPIPARO. Whenever I am sick I go down there.

The CHAIRMAN. How did you happen to pick out Tijuana?

Mr. LOPIPARO. Because it is a warm climate. I like it down there.

The CHAIRMAN. Better than Florida?

Mr. LOPIPARO. Yes.

The CHAIRMAN. And California?

Mr. LOPIPARO. Yes.

The CHAIRMAN. Do you go to New Orleans sometimes?

Mr. LOPIPARO. Yes; I went to New Orleans.

The CHAIRMAN. Do you know Carlos Marcello?

Mr. LOPIPARO. Not that I remember. I might have met him, but I can't recall it.

The CHAIRMAN. How about Corolla, did you know him?

Mr. LOPIPARO. No.

The CHAIRMAN. A fellow that got deported; you have heard of him, haven't you?

Mr. LOPIPARO. Yes; I heard of him.

The CHAIRMAN. He came over to Tijuana?

Mr. LOPIPARO. If he was there, I wasn't.

The CHAIRMAN. You don't remember him very well?

Mr. LOPIPARO. Well, if he was there I would remember the name.

The CHAIRMAN. How about Licavoli, do you know him?

Mr. LOPIPARO. No.

The CHAIRMAN. From California and Detroit?

Mr. LOPIPARO. No.

The CHAIRMAN. Do you remember them?

Mr. LOPIPARO. No.

The CHAIRMAN. Do you know Tony Lacoco from Kansas City?

Mr. LOPIPARO. No, I don't recall him.

The CHAIRMAN. He used to be in the wire service over there; you remember those fellows in the wire service?

Mr. LOPIPARO. No, only what I read in the paper.

The CHAIRMAN. You don't remember Gargotta; you knew him.

Mr. LOPIPARO. Yes.

The CHAIRMAN. Snags Klein, do you remember him?

Mr. LOPIPARO. Yes, I know Snags Klein.

The CHAIRMAN. Do you have any business with him?

Mr. LOPIPARO. No business with him.

The CHAIRMAN. You just knew him. And did you know a fellow Spitz, who was also in the wire service?

Mr. LOPIPARO. Yes, I know Spitz.

The CHAIRMAN. What did you and Charley Binaggio do together?

Mr. LOPIPARO. Nothing. Just knew him.

The CHAIRMAN. Just old friends?

Mr. LOPIPARO. Friends, that is right.

The CHAIRMAN. Did you have any business transactions with him?

Mr. LOPIPARO. No business transactions; no.

The CHAIRMAN. Did you know Frank Cammarata, from Cleveland, Detroit, there is one around here?

Mr. LOPIPARO. No; I don't know neither one of them. I heard of him.

The CHAIRMAN. Didn't see them in Tijuana?

Mr. LOPIPARO. No.

The CHAIRMAN. How long before Binnaggio got killed was it that you were in Tijuana on that occasion, that last occasion?

Mr. LOPIPARO. I don't remember how long it was.

The CHAIRMAN. Pretty shortly before; wasn't it?

Mr. LOPIPARO. No, I don't know.

The CHAIRMAN. Did you and he have a falling out about something?

Mr. LOPIPARO. No.

The CHAIRMAN. What business, how large a business is this Anthony Novelty Co. you have?

Mr. LOPIPARO. How big?

The CHAIRMAN. What?

Mr. LOPIPARO. How big business?

The CHAIRMAN. Yes.

Mr. LOPIPARO. Oh, I don't know; maybe about 75 pieces, stops.

The CHAIRMAN. You got music boxes around?

Mr. LOPIPARO. Yes.

The CHAIRMAN. What other kind of instruments?

Mr. LOPIPARO. Pin games.

The CHAIRMAN. Do you have an association you belong to?

Mr. LOPIPARO. No association.

The CHAIRMAN. Did Mr. Burling ask you whether you were the sole owner, or whether somebody was in it with you?

Mr. LOPIPARO. He just asked me what business I was in.

The CHAIRMAN. Are you the sole owner?

Mr. LOPIPARO. No, sir.

The CHAIRMAN. Who is in it with you?

Mr. LOPIPARO. Anthony Giardino and Jack Spinelli.

The CHAIRMAN. Jack Spinelli?

Mr. LOPIPARO. That is right.

The CHAIRMAN. Where is he from?

Mr. LOPIPARO. Here.

The CHAIRMAN. And Anthony Giardino, is he from here, too?

Mr. LOPIPARO. That is right. We were raised up as kids, when we were kids.

The CHAIRMAN. What business were you in before you were in this novelty?

Mr. LOPIPARO. I was working at the Plantation.

The CHAIRMAN. Plantation Club?

Mr. LOPIPARO. Before we got in the business.

The CHAIRMAN. That is over across the river?

Mr. LOPIPARO. No.

The CHAIRMAN. What did you do, just work there?

Mr. LOPIPARO. That is right.

The CHAIRMAN. Doing what?

Mr. LOPIPARO. Doing what?

The CHAIRMAN. I mean, what kind of work, cashier work?

Mr. LOPIPARO. No, I just walked the floor.

The CHAIRMAN. Just walking the floor?

Mr. LOPIPARO. That is right.

The CHAIRMAN. How long did you know Binaggio before he got killed?

Mr. LOPIPARO. Oh, probably 10 years.

The CHAIRMAN. Where did you meet him?

Mr. LOPIPARO. In Kansas City.

The CHAIRMAN. What were you doing in Kansas City?

Mr. LOPIPARO. I was in a saloon.

The CHAIRMAN. Which saloon?

Mr. LOPIPARO. Oh, I don't remember that. It was a long time.

The CHAIRMAN. Did you know Tony Gizzo out there?

Mr. LOPIPARO. I heard of him.

The CHAIRMAN. Never met him?

Mr. LOPIPARO. Never met him.

The CHAIRMAN. What else did you do in Kansas City?

Mr. LOPIPARO. What else?

The CHAIRMAN. Who else did you work for?

Mr. LOPIPARO. I never worked for anybody there.

The CHAIRMAN. Just one saloon; how long did you live there?

Mr. LOPIPARO. I never lived in Kansas City.

The CHAIRMAN. You just worked there?

Mr. LOPIPARO. Who worked there?

The CHAIRMAN. Didn't you say you worked there?

Mr. LOPIPARO. No, I didn't. When did I tell you I worked there?

The CHAIRMAN. What was it you said about a saloon?

Mr. LOPIPARO. You asked me where I met him at and I told you a saloon.

The CHAIRMAN. So you just went over there to visit him?

Mr. LOPIPARO. No.

The CHAIRMAN. Well, what business were you going over there on?

What business were you over there on?

Mr. LOPIPARO. What business I was over there?

The CHAIRMAN. Yes; over to Kansas City.

Mr. LOPIPARO. I probably went up there to a cabaret.

The CHAIRMAN. To a cabaret.

Mr. LOPIPARO. Yes, look at some floor shows.

The CHAIRMAN. You mean just on a pleasure visit?

Mr. LOPIPARO. That is right.

The CHAIRMAN. All right. Anything else?

Mr. BURLING. Where were you born, sir?

Mr. LOPIPARO. St. Louis, Mo.

Mr. BURLING. That is all.

The CHAIRMAN. All right; that is all.

#### TESTIMONY OF JOHN LABAN, ST. LOUIS, MO.

The CHAIRMAN. Mr. Laban, do you solemnly swear that the testimony you give this committee will be the whole truth, and nothing but the truth, so help you God?

Mr. LABAN. Yes sir.

The CHAIRMAN. All right.

Mr. BURLING. Will you sit down, sir?

Have you ever had any business connection with juke boxes or other coin-operated music devices?

Mr. LABAN. Yes, sir.

Mr. BURLING. When did you go into that business?

Mr. LABAN. 1924.

Mr. BURLING. And coming now down to a period of 1945 and after, did you have occasion to sell a chain of automatic music devices to Plaza Amusement Co?

Mr. LABAN. Yes, sir.

Mr. BURLING. Just very briefly, will you describe that, what the physical set-up was; will you?

Mr. LABAN. Do you mean how they work?

Mr. BURLING. Yes.

Mr. LABAN. Well, a customer puts in a coin and a girl asks their selection.

Mr. BURLING. How, over a phone?

Mr. LABAN. No; over a microphone.

Mr. BURLING. Well, I go into a bar, and I got what kind of coin—quarter, nickel?

Mr. LABAN. Nickel, dime, or quarter.

Mr. BURLING. I go into a bar and I want to hear a tune; I put, let's say a dime, in the instrument. Then what happens?

Mr. LABAN. The girl will ask you your selection, please.

Mr. BURLING. Over the microphone?

Mr. LABAN. Yes, sir; and her voice will come over a speaker.

Mr. BURLING. And I speak back into it?

Mr. LABAN. Yes.

Mr. BURLING. I say I want No. 46.

Mr. LABAN. No. 46, The Thing, or whatever you happen to want.

Mr. BURLING. And she puts a phonograph record on a turntable and it comes out; is that right?

Mr. LABAN. Yes, sir.

Mr. BURLING. And that is over the telephone company wire; right?

Mr. LABAN. Yes, sir.

Mr. BURLING. Now, you sold that out to Plaza; is that right?

Mr. LABAN. Yes, sir; the Murphy Distributing Co. did.

Mr. BURLING. Who owned Murphy Distributing?

Mr. LABAN. Mr. Murphy; Frank Murphy.

Mr. BURLING. I thought you sold it.

Mr. LABAN. Well, the Murphy Distributing Co. bought this equipment, some equipment, the Hostess equipment, and they asked me to

fix it up for them because it was out of order; it was not working. So I did start to fix it and we got a few boxes fixed. Before the operation was all over Plaza bought it.

Mr. BURLING. Then you went to work for Plaza; is that right?

Mr. LABAN. I just serviced for Plaza.

Mr. BURLING. Tell us about the operation of these boxes. You worked for Plaza servicing the equipment; is that right?

Mr. LABAN. Yes, sir.

Mr. BURLING. When did you go to work for them?

Mr. LABAN. Oh, I would—I don't know offhand, but the latter part of 1947, possibly.

Mr. BURLING. How long did you continue to work for Plaza?

Mr. LABAN. Not very long, because the equipment did not operate very long.

Mr. BURLING. The equipment got knocked out by the police; is that right?

Mr. LABAN. No, sir.

Mr. BURLING. Well, what—well, by the telephone company; is that right?

Mr. LABAN. No, sir; we closed it up.

Mr. BURLING. Were you here last night when Mr. Nous of the telephone company testified?

Mr. LABAN. No, sir.

Mr. BURLING. I will advise you the testimony last night was that a jumper wire connecting Pioneer News Service to Uncle John's Tavern—that is, to the terminal boxes of each—was discovered by the phone company, and it was discovered that racing wire information from Pioneer was going out through this music distributing; is that correct?

Mr. LABAN. I know nothing whatsoever about that.

Mr. BURLING. Who put the jumper wire on it?

Mr. LABAN. I don't know, sir.

Mr. BURLING. Not you?

Mr. LABAN. No, sir.

Mr. BURLING. But you were in charge of the equipment.

Mr. LABAN. No, sir; not directly in charge. I said I serviced for them.

Mr. BURLING. Well, what did you do for them?

Mr. LABAN. If an amplifier would go bad in the equipment—I am talking about Hostess equipment, where the girl, and we run music over—

Mr. BURLING. I am talking about after Plaza got it and after Mr. Brown admitted that it was a race wire fan-out; he admitted that this morning.

Mr. LABAN. I know nothing about that whatever.

Mr. BURLING. Were you here this morning?

Mr. LABAN. Yes.

Mr. BURLING. Did you hear Mr. Brown say that?

Mr. LABAN. Yes; I heard Mr. Brown say that. That was after my time possibly; I don't know.

Mr. BURLING. I have no more questions of this witness. He appears to know nothing, Mr. Chairman, of value.

The CHAIRMAN. What do you do now?

Mr. LABAN. I am servicing juke boxes—or automatic phonographs, I should say; I do not like the word "juke" boxes.

The CHAIRMAN. You service them for Plaza?

Mr. LABAN. No sir.

The CHAIRMAN. Did you quit working for them; about when?

Mr. LABAN. Yes, sir. Oh, I have not worked for them for a long time—just for a short while, just making up this equipment so it will work.

The CHAIRMAN. All right, sir. We just wanted to ask you about this Automatic Hostess thing after Plaza got it. You apparently don't know anything about it.

Mr. LABAN. I don't; no sir.

May I be excused, sir?

The CHAIRMAN. You are excused.

(Witness excused.)

#### TESTIMONY OF PAUL SIMON, MADISON COUNTY, ILL.

The CHAIRMAN. Mr. Simon, what was it you wanted to testify about?

Mr. SIMON. I was asked to make a statement. It is a very short one. I could file it.

The CHAIRMAN. Let's see your statement.

Come around, Mr. Simon, and be sworn.

You solemnly swear the testimony you give will be the whole truth, and nothing but the truth, so help you God?

Mr. SIMON. I do.

The CHAIRMAN. Is this your statement, and you swear that this statement is true?

Mr. SIMON. That is correct.

The CHAIRMAN. Now, you filed certain charges; have you? What is your business, in the first place?

Mr. SIMON. I publish a weekly newspaper in Madison County.

The CHAIRMAN. And you filed charges against the former sheriff, Dallas Harrell, and the State's attorney, Austin Lewis?

Mr. SIMON. That is correct.

The CHAIRMAN. Alleging misfeasance in office; is that correct?

Mr. SIMON. In the case of Dallas Harrell; yes. In the case of the State's attorney I say that he brought the courts and the legal profession in our county into ill-repute.

The CHAIRMAN. Well, now, what do you want to say about the general condition, very briefly.

Mr. SIMON. Very briefly, it has improved considerably since Governor Stevenson took action in May, but it is still not ideal, and I mean anything such as the type of thing this committee is doing to put pressure on the officials and to awaken the people in our county to conditions is certainly appreciated, and it is a big help.

The CHAIRMAN. Now, these charges of malfeasance; I take it they grow out of things like the 200 Club?

Mr. SIMON. That is correct.

The CHAIRMAN. And the Hyde Park Club. What has happened to those charges?

Mr. SIMON. Well, they are coming up before the grand jury which meets in March—March 19.

The CHAIRMAN. You got a new sheriff over there now; is that correct?

Mr. SIMON. That is correct.

The CHAIRMAN. Is he doing better?

Mr. SIMON. I would say definitely he is doing better.

The CHAIRMAN. Now, these two places that were raided by Governor Stevenson, did you have part in getting him to raid them, or do you know something about them?

Mr. SIMON. Well, editorially we campaigned for such a thing since he had pledged action, but whether our paper had any direct effect is something I could not say.

The CHAIRMAN. You seem to be quite a young man.

Mr. SIMON. I am, unfortunately, I am, or fortunately.

The CHAIRMAN. How old are you, sir?

Mr. SIMON. Twenty-two.

The CHAIRMAN. And what is the name of your paper?

Mr. SIMON. The Troy Tribune.

The CHAIRMAN. And you are the publisher?

Mr. SIMON. Yes, sir; publisher and janitor.

The CHAIRMAN. And editor?

Mr. SIMON. And editor; that is correct.

The CHAIRMAN. How long have you been a publisher and editor and general mogul of your paper?

Mr. SIMON. It will be 3 years in June.

The CHAIRMAN. And you have been carrying on an editorial crusade for a better government all along over there in Madison County?

Mr. SIMON. Well, we have been fighting for it anyway; yes, sir.

The CHAIRMAN. Well, that is very admirable. Has it hurt your newspaper business?

Mr. SIMON. No; we lost one advertiser, but that was very minor; I mean, actually, it has helped the paper.

The CHAIRMAN. That is very encouraging, to see young men like you interested, who have the courage and the fortitude to stand up and take an open position in matters of this sort. How about these wire-service places; have you taken any position about them, or what have you done about them?

Mr. SIMON. Well, we opposed them. Right now, I just understand, recently that one has been operating in Alton somewhat on a sneak basis, but since the Governor's raid things have been much more quiet in Madison County.

The CHAIRMAN. So things are better, if you can just get them more better and keep them that way; is that the problem?

Mr. SIMON. That is correct.

The CHAIRMAN. Is there anything else you want to say, sir?

Mr. SIMON. No; I think anything I have in the statement covers it there.

The CHAIRMAN. Your statement will be made part of the record, and we appreciate your appearance here very much.

#### STATEMENT OF PAUL SIMON

It is only proper that I begin this statement by stating that I believe this committee is performing a tremendous service to the people of our country. Not only the work you do, but also your method of procedure are to be highly commended.

I take it that my main function here today is not to recommend to you any particular action or legislation, but rather to paint a picture of conditions in Madison County, Ill.—a county in which I publish a small weekly newspaper, the Troy Tribune. I might only mention in passing that if your group can recommend some kind of legislation which will restrict interstate transmission of racing news for gambling purposes it would be a healthy thing. Probably another thing which would help would be increased appropriations for the Treasury Department to investigate income-tax evaders. If a committee of this type could always be manned by men of high character and purpose as this committee, I would heartily favor continuance of its present work.

As to Madison County, Ill.: I have been publishing a newspaper there for almost 3 years—and those 3 years have been an eye opener for me. I consider myself neither a crusader nor a blue-noser—but as an honest, responsible citizen this has become very apparent to me: The big-time gamblers and others who would violate the law have formed an unholy alliance in our county with those charged with the responsibility for enforcing the law.

I have little respect for the gentry of the gambling profession and the hoodlums they bring with them. But I have even less respect for men in our county who have prostituted public office and betrayed the public for a few dirty dollars. This has been particularly true of the office of sheriff and State's attorney.

For that reason I finally filed a complaint recently asking the next session of the grand jury to indict our former sheriff, Dallas Harrell, for "palpable omission of duty" and have asked the State bar association to take disciplinary action against our State's attorney, Austin Lewis.

The reason men of this type have been able to get into office has been that the gambling dens have contributed liberally to the treasuries of both parties. Their political power has been great as a result. Aiding their cause is the fact that the citizens of our county have had no real leadership to fight this situation.

On May 12, 1950, the very able Governor of our State, Adlai Stevenson, had State police raid two gambling casinos in our county. They were the Hyde Park Club and the 200 Club, multi-million-dollar businesses. Since the raids the situation has improved tremendously but still is a long way from ideal.

About a month prior to those raids we held our primary elections. The candidates for sheriff spent somewhere around \$50,000 in a primary race for a position which is limited to one 4-year term and pays only \$4,000 a year. It doesn't make sense unless there is something going under the table.

The former sheriff of our county only allowed a certain type of punchboards to appear. When the wrong kind appeared, tavern and restaurant owners were told "punchboards are illegal." The kind the sheriff's office allowed—even though illegal—cost many times their ordinary price. When I accused him editorially of having a punchboard racket, he made no reply.

Organized prostitution was wide open and when my paper and the neighboring Collinsville Herald objected there were a few raids; but soon activity was normal again. Finally I made a quick tour of some of the "closed" prostitution houses and printed what I saw and heard. Court injunctions finally were issued closing a few of the places.

One of the deputy sheriffs took money on one occasion from an operator of a bawdy house. And I don't suppose it is too illogical to assume that if he took money from one he took money from others. The State's attorney told me once that whenever raids were to be made on prostitution houses, they could not tell one of the deputy sheriffs about it. Yet the State's attorney made no move to prosecute or remove him from office nor did the sheriff.

When a huge lottery was scheduled in Alton, the thing was "cleared" through Harrell and Lewis before being closed by pressure put on by the publisher of the Alton Telegraph.

Violators of gambling laws were periodically brought to court and fined but no attempt was made to keep them shut until after the Governor raided two of the spots in May of last year. How the sheriff's men could serve the informations filed without seeing the laws violated is unanswerable.

In a strip-tease gambling joint known as the White Swan, the State's attorney has been seen watching a dice game and doing nothing to stop it. Affidavits of witnesses are available.

What I have mentioned to you are little pieces of a powerful picture—a picture of vice and corruption. Thanks to a good governor and a gradually awakening citizenry the situation is temporarily improving. For your part in helping to awaken that citizenry you have my profound thanks and I believe the thanks of the people of Madison County.

Good government can only come when there is an alert citizenry. Your important part in helping to awaken our people deserves the praise of citizens for generations to come.

The CHAIRMAN. I think Mr. Monroe spoke to me and said he had a statement he wanted to file. Is Mr. Monroe here?

Mr. MONROE. Yes.

The CHAIRMAN. Mr. Monroe, let's see your statement.

Mr. MONROE. The committee has a copy of it.

#### TESTIMONY OF JAMES O. MONROE, MADISON COUNTY, ILL.

The CHAIRMAN. You solemnly swear the testimony you give this committee will be the whole truth, and nothing but the truth, so help you God?

Mr. MONROE. I do.

The CHAIRMAN. Let me see your statement, Mr. Monroe.

Mr. MONROE. It is rather long, and some parts of it are historical and not too significant, because the sheriff this morning gave you a pretty fair picture of what goes on in our county, and I could very briefly give you some reasons, I think, why that psychological situation prevails, if that is of any consequence.

The CHAIRMAN. Well, we don't want to get too far afield. We are interested in interstate transactions, Mr. Monroe.

Mr. MONROE. Well, aside from the fact that this fan-out service to the bookies extends into our county there isn't any interstate relation that I know of.

The CHAIRMAN. Well, you have people operating there who come from other States, who also operate in other States, like Mr. Moore, he was from over here and operated Hyde Park.

Mr. MONROE. I think that is correct.

The CHAIRMAN. And they have wire service.

Mr. MONROE. Yes.

The CHAIRMAN. Suppose you start generally to summarize very briefly what it is you want to say, and we will see whether it is relevant or not; or do you just want to file this statement?

Mr. MONROE. That will answer my wishes. The committee asked me to make a statement. Of course, I sent to you shortly after the November election some editorial articles dealing with a particular incident which affected my political career over there, which is in the hands of the committee, which is clearly an incident, a most flagrant incident of the relation of the gamblers and politicians in the county. That has been alluded to in the statement and more fully covered in the editorials I sent you.

The CHAIRMAN. All right. We will make this statement a part of the record, Mr. Monroe, and thank you very much. You swear that this statement is true to the best of your knowledge and belief?

Mr. MONROE. I do.

(The statement is as follows:)

#### STATEMENT OF JAMES O. MONROE

Gentlemen: I am happy to appear before your honorable committee to present some observations on gambling and the relations of public officials and political organizations with commercialized gambling in Illinois, more particularly in Madison County where I reside, though I am not too sanguine that they will aid the committee greatly in solving the social and political problem the committee is studying.

For 34 years I have had occasion to make such observations in my county, more particularly since the year 1930 when I entered politics actively as a candidate for State senator, which date coincided somewhat with the spread of gambling in various forms throughout the county. Prior to that there was a limited amount; by 1938 there were probably 500 slot machines in the county; a year ago there were no slot machines, but approximately 20 common gaming houses of different varieties. Since May of last year gambling has been much reduced, but the gamblers are still extant and ready to resume again whenever city and county officials think public sentiment will permit.

During the 10 years of the last 20 in which I served in the general assembly, I had to consider bills proposing to legalize some forms of race track gambling, following the initiation of pari-mutuel betting in 1927 by the passage of the first horse racing act, the voting for which, I have been reliably informed by legislators serving at that time, netted \$1,000 for each legislator who voted for the bill and who cared to take the money. Enactment of that law, I judge, not only paved the way for other legislation to license gambling, but also created an atmosphere in which illegal gambling was more readily tolerated and has thrived, intermittently but immensely.

The race tracks, which sought the 1927 licensing law to escape the heavy demands of public officials, as well as to assure their continuity, soon found the \$2,500 daily fee too heavy, and in the first session I served I sponsored a bill to reduce the fee at Fairmont Park in my county. The bill failed, but in 1933 a bill was passed reducing the fee at Fairmont and some of the other tracks.

In 1935 a bill was presented, and I voted for it, to permit the cities and counties to license handbooks, which, after its passage, was vetoed by Gov. Henry Horner. In 1937 a bill passed the house to license dog racing, but the State senate turned it down after the newspapers published the charge that money had been paid to the house members.

In 1941, the assembly again passed a bill to license handbooks, but Gov. Dwight Green vetoed it. I was not a member at that time, but was in the house in 1945 when a bill was passed to permit night harness racing, which the Governor signed. I was not a member of either branch in 1949 when the bill was passed and signed by Gov. Adlai Stevenson to permit running races at night as well as in the daytime, and when also a bill was passed to create the pari-mutuel revenue producing commission, which will make a report to the present session of the assembly, and which appears to be designed to license handbooks as an adjunct to the race tracks. Though Governor Stevenson gives some indications of being opposed to gambling, he signed this bill which I regard intrinsically as being no different from the handbook licensing bills which two former Governors vetoed.

In 1931, to settle a judicial squabble over dog racing in the county, I took a test case to the Illinois Supreme Court in which I attacked the constitutionality of the horse-racing act of 1927, which act was sustained by the court. In 1938 I resisted the effort of the State liquor-control commission to revoke the licenses of taverns which permitted slot machines, on the ground that the commission had no authority to revoke licenses—a contention which the supreme court only recently sustained. In 1950 I criticized the Governor of the State for employing State highway police in making gambling raids, on the ground that he lacked legal authority so to employ them, and more because the police could not be spared from their highway duties.

These activities, in and out of the legislature, would make it appear that I have sometimes been on the side of the gamblers, and sometimes against them. Frankly, not being given to sumptuary legislation, I am not against them in the premises, since I recognize the right of men and women to gamble if they choose. But I am as greatly concerned as is this committee over the influence of gamblers in politics. I wish I could offer a formula for divorcing gamblers from politicians, whose greed often equals that of the game keepers, but I cannot, for I recognize that, so long as the laws of the land purport to ban gambling (except race-track gambling at the track), their alliance becomes automatic wherever public officials are venal and local public sentiment tolerates gambling houses. Nor am I able to judge whether gambling is worse, morally or otherwise, at licensed institutions than in unlicensed places.

So, while I do not propose the repeal of all laws against gambling, I do not oppose the practice, immoral as it may be, and ruinous as it is in its excesses, philosophically, I am an individualist and a liberal, not given to sumptuary legislation. I opposed national prohibition, after it had been in effect for some years, not merely because it was a practical failure and a national scandal, but be-

cause I conceived it to be an immoral proposition to punish the sellers of liquors for the drunkenness of those who abused the privilege of indulging their taste for viands. I apply the same principle to gambling. I hold it to be wrong to raid a gambling house and punish the operators, while letting the players go free. The statutes of Illinois and many other States support this thesis, providing that "whoever plays" shall be subject to penalty, but it is one of the ironical complexities of the gambling situation that public sentiment fails to demand the arrest and punishment of the patrons of a gambling house, instead calling for the penalizing of the game keepers solely. And no city, county, or State official in Illinois ever has followed the law which calls for the arrest of any patrons of a gambling house, or at least rarely.

So long as people wish to gamble, so long as there are others ready to cater to them for a profit, and so long as the law is applied only against the game keepers, it becomes the first task of the would-be game operator to provide himself with "protection" by public officials. This leads to "understandings," usually covered by outright payments of money or campaign contributions or other political support, or all of these. These arrangements develop into alliances, sometimes between one official and one game keeper, often between the whole clique of gamblers in an area and the political organization dominant in it.

Such has been the situation in Madison County, and I think in most others, during the past two decades or more, increasingly so since the race track gambling has blossomed and prospered under the pari-mutuel laws, spawning in their wake both the handbooks and the elaborate wire communications system of instant transmission of racing information to the bookies. Madison County, as previously noted, has a horse race track, illegally established in 1925, now legalized, and at one time had two pari-mutuel dog racing tracks, both illegal and finally suppressed by court action. The handbooks have increased steadily in number and in patronage, along with the race tracks, and before the Governor's raids last May there were 15 of them in the county, operating openly and blatantly, with the knowledge and consent of city and county officials and with no widespread protest from the people. Most of the bookies are still operating on a "sneak" basis, and racing forms are sold on the newsstands. Of course, the business is not nearly so large nor so profitable.

Madison County has not had slot machines since mid-1938 except in certain select private clubs, but punchboards and bingo trees are everywhere, and there are large and small bingo and lotto games, some conducted for private benefit, some as a form of organized charity. The sale of raffle tickets by civic, fraternal, and church organizations probably runs to more than a million dollars a year.

The opening of the unlicensed Fairmont race track in 1925, followed in 1926 by a dog track and in 1930 by another, afforded the occasion for the first large scale political corruption by gamblers in Madison County. The then sheriff, who already was doing pretty well milking the county's horde of bootleggers, pounced on the race tracks for a magnificent lug. Though he left office in December 1926, he told me before he died that he made a quarter of a million dollars out of the office. Ironically, he died broke, victim of the "come easy, go easy" psychology.

The sheriff who followed him, now also deceased, who entered office with nothing of means, served until December 1930, and left so much cash in his safe deposit box that he was much embarrassed in getting it changed into small size currency when the Government changed the size of paper money. A fellow publisher told me and others that this man took \$40,000 of the old money to different friends for them to change it at the banks, and there is no record of how much he changed himself.

My first insight into the spending of gamblers' money in political campaigns was in 1930 when I first ran for State senator. A fairly well known politician of my party, known to be connected with gamblers, sensing that our party would carry Madison County that year, gave a few hundred dollars to a friend of mine in Collinsville to hire workers for our candidate for sheriff, and the friend pooled this money with money I was furnishing for the campaign to get out the vote in Collinsville. I was told that this man put \$2,000 into the campaign in Granite City, and I assume he put similar sums in other cities in the county. Our candidate for sheriff was elected, and the man who had furnished this money virtually moved into the sheriff's office to handle the gambling connections. It was at this time that the slot machines began to be placed by the hundreds in taverns and other available places throughout the county.

In 1934, this man, now deceased, was himself elected sheriff, and the slot machines flourished, despite the depression, and other forms of gambling also

grew. Campaign money was plentiful and was spent prodigally. In the Democratic primary of 1936, the controlling clique of the party, headed by the sheriff, laid down \$6,000 for one of the candidates for governor—merely because they liked him better and not because there was any gambling issue in the campaign. The candidate lost in Madison County and in the State.

In 1936 the clique overdid itself, by spending a vast sum of money to nominate the 1930-34 sheriff for another term, defeating two more eligible men, and then a public revulsion set in against the clique and the slot machines, and although another barrel of money was spent in the fall campaign the candidate was soundly defeated and the whole ticket of the party was wrecked, half of it being defeated.

This ended the reign of the slot machines, and every candidate for sheriff and State's attorney since then has felt impelled to make pledges against them. But other forms of gambling have grown, fairly "protected" by public officials. The Democratic Party having become well entrenched in the county, it usually has had the major support of the gamblers, though some have gone the other way, and some have played safe by contributing to both parties. How much any or all of them have paid into the campaign funds, whether they have paid more than was applied to the campaigns, who did the collecting and who laid out the money for the elections I never knew or tried to find out. It was usually understood among the candidates and other party workers that the sheriff or the State's attorney, or both, did business with the gamblers, but how directly and to what extent I never knew.

In 1945 the States attorney of the county, no longer incumbent, developed a system of filing informations against the open gaming houses approximately four times a year, upon which informations warrants were issued and served by the sheriff, and the men charged were brought in, pleaded guilty, and paid fines. The fines were based somewhat on "ability to pay," expressed in the informations as a varying number of "counts," each count representing one day's operation of the joint. This system within 3 years brought around \$100,000 into the county treasury, and did considerable to foster public tolerance of the handbooks, dice games, bingo games, and punchboard distributors. It was in effect a form of licensing, under which the game keepers were fairly happy and I think prosperous.

While the present States attorney of the county campaigned on a platform of continuing this periodic fining of the game keepers, after his election he appeared reluctant to carry it through. Being inaugurated in December 1948, he filed one set of informations on February 23, 1949, against 13 places for bookmaking, 2 for peddling punchboards, and 3 for keeping a common gaming house. The number of "counts" ranged from 3 to 17, the number being wholly fictitious in all cases, since the places were operating continuously. Then he filed no further informations until October 14, 1949, and I have heard that he acted then only under heavy pressure of some of his advisers who thought it unwise to relax the program.

After that he resumed the schedule, making a foray in January 1950, another on March 17, 1950, and he had gone tranquilly through the business of issuing the informations and warrants were served on May 12, the very day and a few hours before the State highway police made their raids against the two more notorious gambling houses in Madison and Venice. There have been no prosecutions by the States' attorney on the charges he filed, and I do not know whether there will be any.

One notable aspect of the filing of the informations which gave them the character of revenue producers rather than efforts at suppression, is the circumstance that at no time did the county prosecutor incorporate into the informations the fact that the charge was for a second or a third offense, which, under Illinois law, would have called for heavier penalties than a first offense. In many instances the charge was lodged against a different one of the operators of a given place, so as to frustrate the possibility that a magistrate would take judicial notice of the second or third offense and apply the heavier penalty. Moreover, while the larger number of the places were handbooks operating on such a scale as to be deemed common gaming houses, the charge against these always was "bookmaking," not "keeping a common gaming house."

This sort of licensing business, however, met little protest, and many substantial citizens approved it. I had approved it in advance, as being better than the former system of letting the places run for free. This was not inconsistent with my vote for licensing handbooks and my vote for licensing night harness racing which became law.

The most flagrant and open piece of political corruption involving gamblers in the history of the county occurred last fall when the chief operator of the 200 Club in Madison, who had for years been corruptly allied with the city officials, paid them a sum of money to secure the "scratching" of the Democratic ballot by traditional straight Democratic voters, to defeat me and County Judge Michael Kinney who had ruled against the 200 Club in a suit over recovery of money seized by State police in the raid of May 12. Their conspiracy resulted in approximately 25 percent of the Democratic voters voting for the Republican opponents of Judge Kinney and myself, cutting our vote almost half in two and reducing my majority in the county so that I was defeated by an adverse majority in another county. I previously have furnished the committee a detailed report on this. I have filed an election contest in the State senate based on these facts, and this week I secured the arrest of the mayor and the chief of police of the city of Madison on charges of omission of duty, calculated to effect their removal from office so that they will be unable to repeat such a performance.

This statement of this latter action of mine, unprecedented in Madison county, leads logically to my concluding statement that in my view the breaking up of the alliance between gamblers and corrupt officials depends upon the alertness and activity of local citizens. I doubt that the Federal Government should undertake that, or could accomplish it—the experience with prohibition supports this view. Nor do I consider it a State function. Moreover, if democracy cannot be made to work at the local level, it is doomed to failure and we are ripe for anarchy or dictatorship.

It may be possible that the Federal Government can do something to prevent the interstate transmission of racing information, though this may entail an infringement on the right of free speech. The States, particularly those like Illinois, which has half a dozen racetracks affording \$6,000,000 a year in revenue, are much embarrassed to do anything on their own account. So it seems to me to be up to the people in the cities and the counties to face their own problems.

The situation, viewed thus, is not so dismal as it might at first appear.

The people as a whole can become aroused when gambler control becomes intolerable. In point is the 1938 experience in my county when revolt against the slot machine purveyors wrecked the dominant party. On a higher level and broader scale was the result of the election in Illinois in 1948 when Governor Green was overwhelmingly defeated because of his corrupt dealings with gamblers and others. Likewise the election last year, when the Democratic Party affronted millions of voters by putting a candidate for sheriff of Cook County on the ticket who had grown rich and arrogant by not enforcing the gambling laws.

Individuals likewise can do much if they have the courage. I suggest, for example, that my action in proceeding against the arrogant and corrupt city officials in Madison, if it results in their ouster as I think it will, will do more for respect for law than anything else which has taken place in the county in recent years. The laws are adequate for suppression of gambling everywhere if the people wish to employ them.

On the other hand, the interference of Federal and State authorities in local law enforcement weakens local initiative. The times already have begot a disposition among many persons to look to Springfield or Washington for someone to do things which the people could do for themselves if they were not so timid or too slothful. There are persons in Madison County today who are hoping that this committee will come in and grab all the gamblers and throw them into limbo. I apprehend that the committee cannot and will not do anything of the kind. The committee is doing an excellent job of exposing to the people of the whole Nation the scope and the gravity of the hold which gamblers have upon government. If the people, thus informed, will rise to their own responsibility to clean up their own doorsteps, if good citizens will apply themselves to the task of manning government positions with persons of character and integrity, instead of merely complaining about "crooked politicians," this far-flung inquiry will have justified itself. In the end, the people get just about the kind of government they deserve for the effort they make to achieve it.

**THE CHAIRMAN.** Now, has anybody here, any witness or otherwise, whose name has been brought out in this hearing that wants to have the opportunity of saying anything or making any explanation about any matter that has been said about them? I do not want to leave here and find tomorrow that somebody said they were here and did not have a chance to be heard.

Mr. BURLING. Mr. Chairman, I might say on behalf of the staff that they placed a number of other people under subpoena; the investigator's staff that has been working here for months has worked up a great deal more matter, but it is my judgment as committee counsel, that we have covered the highlights of the picture here and have covered the matters that are within the peculiar and particular jurisdiction of this committee, that is, insofar as we are able to. Of course, we haven't covered them when the witnesses refused to testify. I do not believe anything would be gained by hearing further witnesses, and I recommend the hearing be brought to a close.

The CHAIRMAN. No inference should be drawn of witnesses who have been subpoenaed and who have not testified, that there is anything derogatory about them. Some have been subpoenaed who, of course, have been involved in matters; others have been subpoenaed who are good citizens and would merely give the committee information.

Now, if there is anybody whose name has been brought out in the hearing and wants to have anything to say, make any explanation to refute, deny, to explain, enlarge upon anything that has been said in connection with this, or any witnesses who have been subpoenaed here but feel that they have something they want to say in connection with some matter that might have been brought out about them, let us hear from you now.

Well, I hope that we won't meet a situation later on where somebody will say they didn't have a chance to be heard.

This is going to conclude our hearing. Before we do, let's take one more chance and see if the Wortmans, Frank Wortman, Edward Wortman, Casper Smith, "Red" Casper Smith, are present.

Mr. Bailiff, have you seen anything of these witnesses, the Wortmans?

Mr. HART. No, sir.

The CHAIRMAN. Have you been on the lookout for them?

Mr. HART. Yes, sir.

The CHAIRMAN. You would know them if you saw them?

Mr. HART. Yes, sir, I know all except one, the Wortmans.

The CHAIRMAN. Which one don't you know?

Mr. HART. Wortman.

Mr. BURLING. Will you call out Francis Wortman, will you call him, Mr. Bailiff?

Mr. MAHONEY. Calling Francis Wortman.

Mr. BURLING. Mr. Chairman, he doesn't seem to be here.

Mr. MAHONEY. No answer, Mr. Senator.

The CHAIRMAN. Call the other Wortman, Edward Wortman and Louis Casper Smith.

Mr. MAHONEY. Calling Edward Wortman and Louis Casper Smith. Still no answer to the names, Mr. Senator.

The CHAIRMAN. Well, that being the case, this finally concludes our hearing at this time.

Has Mr. Carroll decided he wants to testify here? It is his last opportunity.

Mr. CARROLL. My answer is just the same.

The CHAIRMAN. All right. We will make no special concessions for you. If you want to testify this is your opportunity.

Mr. SHENKER. I would like the record to show, Mr. Chairman, many witnesses testified without the aid of television.

The CHAIRMAN. The record doesn't show any such thing. Mr. Shenker, the record does not show any such thing. The television was off about 20 minutes, from 12:30 to about 1, I believe it was off part of the time last night; but we are making no special concessions to Mr. Carroll. If he wants to testify let him do it, otherwise we will conclude the hearing.

Mr. SHENKER. We would like to have an opportunity to offer evidence, to produce witnesses to show that television was off approximately half a day yesterday, this morning it did not go on until 11 o'clock, and it was due to go off at 1 o'clock, but when they heard Mr. Carroll was going to testify that they rescheduled their program and that they kept television on the rest of the afternoon.

The CHAIRMAN. Well, you can make any proof in court when the time comes, but the record does not show that.

Mr. BURLING. Mr. Chairman, I am familiar with the arrangements with the television people. They asked permission to televise the hearings in general. The staff told them that if it was agreeable to the court we had no objection, and aside from certain discussion about moving lights that happen to be in our eyes we have had nothing to do with the television people. We had nothing to do whatever with when they were on or when they were off.

Mr. SHENKER. I would like to offer evidence on that.

The CHAIRMAN. Just a minute. I think I should say this: I asked the staff to see to it that the television lights were indirect lights, that they shine up and not in the eyes of the witnesses and, as a matter of fact, it has been very pleasant here in the courtroom, the lights are indirect, that shine on the wall, they are not in the eyes of the witnesses. I don't think I have ever seen a better arrangement for television than we have had here in this hearing room.

Mr. SHENKER. Before the hearing is closed, Mr. Chairman, I have witnesses available that are here in the court room—Mr. Frank Eschen would be one of the witnesses I would call. He is the director of KSD television and the Dumont television, and by him I intend to prove the matters and things I stated.

The CHAIRMAN. That is all right. The court will let you prove anything you can prove.

Mr. SHENKER. I should like him to do it.

The CHAIRMAN. Let the record show we offered Mr. Carroll another opportunity to testify under the conditions under which most of the witnesses have testified, that he has refused the opportunity, and that ends that.

Mr. CARROLL. Senator, I did not refuse the opportunity.

The CHAIRMAN. If you want to testify, Mr. Carroll.

Mr. CARROLL. If you want to discontinue the television.

The CHAIRMAN. We are running the committee. We will not ask the television to discontinue. We have given them permission.

Mr. CARROLL. I was flown 1,400 miles to come here to testify without a subpoena.

The CHAIRMAN. Well, that is all right. This is your last opportunity if you want to testify now, or not.

Mr. CARROLL. No, not unless you discontinue the television.

The CHAIRMAN. That is all right. Take your seat, Mr. Carroll, back in the court room, and you too, Mr. Shenker.

Mr. CARROLL. May I be excused; can I go home?

The CHAIRMAN. You remain under subpena. You can go home now if you want to, but you remain under subpena, subject to further call.

Mr. CARROLL. Does that mean called this evening?

The CHAIRMAN. No; you will not be called this evening. You can go. We will let you know when we want your evidence.

Mr. SHENKER. May I be permitted to enter evidence pertaining to the length of time television was on, and a special show was arranged by the operators of KSD-TV for the purpose of televising Mr. Carroll?

The CHAIRMAN. Mr. Shenker, the record speaks for itself. That is not an issue for determination here. This is a hearing in which we permitted the television to be shown. The evidence can be shown off and on, at a hearing where the matter comes up in court, as to how much it was on, and any other collateral matters, but it will not be shown here. Certainly there is no evidence of it, I shouldn't think, to show that we were treating Mr. Carroll any different from the majority of the witnesses who testified here. If you have any evidence to that effect we would be glad to hear it.

Mr. SHENKER. We are prepared to show evidence that at least half of the witnesses testified not on the television, that they testified at an open hearing in this court room since yesterday.

The CHAIRMAN. We had nothing to do with when the television was on or off, except we gave general permission. The television was on all day yesterday, I think it was not on last night; it was on all day today. We have called the witnesses as they have come. If Mr. Carroll had been here yesterday it might have happened he would have been a witness last night but he was not here, so we can't run the matter on convenience for Mr. Carroll, or for you, or for anyone else. If he wants to testify let him start right now.

Mr. CARROLL. Senator, you are begging the question. I want to testify but I don't want to testify—

The CHAIRMAN. Mr. Carroll, we have heard from you enough, and we are not going to make a special concession to you. Take your seat.

Mr. Shenker, the committee has concluded its hearing.

I want to thank Judge Moore again for the use of this court room, and the radio and the television for the kindly and courteous way they have handled the keeping their lights out of the eyes of witnesses, and the fact that there has been no disturbance or undue noise. I want to thank very much the bailiff and the marshal and his deputies, the Federal and State officials who have rendered us so many courtesies during the time we have been here; the president of the board of police commissioners and the police department for their kindness in assisting us; Mr. Connor and the crime commission, and much help that we have had from State, Federal and local officials in helping us make this a successful hearing.

I feel that the evidence that we have gotten in St. Louis and in this area has been important for our record, and that it fits in with testimony we have had about matters under investigation in other parts of the United States.

I feel that the testimony we have gotten in connection with the wire service and how it is operated, the connection of the wire service, of some of the people in the wire service with other businesses is important for the record that we have here. The operations between the States of Illinois and Missouri is likewise important.

Unfortunately, we haven't had all of the witnesses who are connected with certain gangs that we wanted to have, but I think we have shown with evidence we have here and other places connections between some of the criminal operators and racketeers in this section with people in other sections. The testimony of such witnesses as the Attorney-General of the State of Missouri, General Taylor, the President of the Board of Police Commissioners, Colonel Holzhausen, and others, as to the necessity of some kind of control, in addition to what we have over operations like Continental Press, have been especially pointed out in this hearing.

As I said in the beginning, we are not here to blacken the good name of St. Louis or of any other section. I think generally the city of St. Louis and this county can be complimented upon the police department you have and upon the local administration you have. Of course, Captain Wren and the others would be the first to admit as they did that there is not some law violation, but there seems to be an interested citizenry and an alert police department, with the people willing to pay the bill, and the press and the radio and the crime commission give the department encouragement.

I am glad to see that you have a crime commission started here. I think it is not only a great thing for turning the spotlight of investigation upon things that go wrong but also in backing up good officials.

So far as the Federal Government is concerned, we hope that as a result of this and other hearings that we can give facts to the Congress which will enable us to put some blocks in the use of the vehicle of interstate commerce in furtherance of the violation of State and Federal laws; and I hope that we can do that without taking over the prerogative of the States. I think in connection with the use of mails, the use of communications and bringing about better liaison and exchange of information between good local enforcement officers and the investigative agencies of the Federal Government that a great deal can be accomplished, but in the final analysis it is, of course, the interest and the activity of local people and their officials and their means of communication that determines whether we have good law enforcement or not.

Mr. George Fickeissen has worked very faithfully in working up this investigation. Mr. Robinson has taken time off from the attorney general's office of California to be here, and Mr. Burling, our associate counsel, has acquainted himself very quickly with the facts and circumstances, and I am very grateful to all of them.

Our next hearing will be in Los Angeles on next Tuesday, and then the work of this committee will be concluded on March 31.

A very difficult question is presented as to what we can do with the Wortmans and Smith, and maybe one or two other witnesses who were subpoenaed to appear here at a previous date and then afterward they were sent telegrams and registered letters notifying them of this date and asking them to come. Unfortunately, through a slip-up the return receipts were not asked for on the registered letters that

were sent them, so the question of whether they had information or whether they constructively had information to the extent that it amounts to actual information is one that I am not yet definitely able to determine. I have instructed Mr. Burling to examine the facts to see who letters were offered to be delivered to at the homes of these people, what happened when telegrams were tendered someone in their places of business or at home, and also the legal situation to see whether they are guilty of contempt or not.

It presents a difficult case growing out of the fact that unfortunately return receipts signed by the addressees were not required. If we conclude that they did actually have knowledge of when they were wanted and refused to obey the subpoena then, of course, we will recommend that contempt action be taken. If we conclude otherwise, we will probably try to get them in for another hearing at another time, or we hope that some other Federal investigative agency might get the information that we would like to have gotten.

You have been a very fine audience to come and participate and be with us during these hearings, and we are very grateful to you.

If there is nothing else, that will conclude the hearing, and the committee will now stand in recess until Tuesday morning at Los Angeles.

(Whereupon, at 4:30 p. m., Saturday, February 24, 1951, the committee recessed to Tuesday, February 27, 1951, at Los Angeles, Calif.)

## APPENDIX

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### EXHIBIT NO. 1

#### STATEMENT OF WILLIAM MOLASKY

I am appreciative of the opportunity that was given to me to appear before the committee to testify under oath as to all my business dealings, my associations, and my activities.

My name is William Molasky. I am 58 years of age. I was born and raised in the city of St. Louis, Mo. I reside with my wife at 2 Aberdeen Place, St. Louis, Mo. I have two children and three grandchildren.

My business career dates back to 1898, when, at the age of 6, I began selling newspapers at various street corners in the city of St. Louis. I continued in that line of occupation until about 1908, when, in addition to selling newspapers, I became a local wholesale distributor for the Curtis Publishing Co. For a substantial period of time I was also the exclusive distributor for the entire downtown district of St. Louis of the Sunday editions of the St. Louis Post Dispatch, St. Louis Globe Democrat, and the St. Louis Republic. The development of this business continued with the acquisition of franchises for the distribution of various and numerous national publications.

Upon being married, my wife joined me in this business, and when my boys became of age they followed the same occupation. My entire family is and has been continuously engaged in the distribution of publications. We operate under the trade name of the Pierce Building News Co., located at 2206 Locust Street, St. Louis, Mo.; in New Orleans as the Louisiana News Co.; and in Kansas City, Mo., and Kansas City, Kans., as the Kansas City News Distributing Co.

The publishing firms represented by us and whose publications we distribute are:

Curtis Circulation Co., Independence Square, Philadelphia 5, Pa.

Fawcett Publications, Inc., Fawcett Building, Greenwich, Conn.

Hillman Periodicals, Inc., 535 Fifth Avenue, New York, N. Y.

Independent News Co., Inc., 480 Lexington Avenue, New York 17, N. Y.

International Circulation Division, 250 West Fifty-fifth Street, New York, N. Y.

Kable News Co., 420 Lexington Avenue, New York, N. Y.

Leader News Co., Inc., 114 East Forty-seventh Street, New York, N. Y.

Macfadden Publications, Inc., 205 East Forty-second Street, New York 17, N. Y.

M. L. A. Publications, 488 Madison Avenue, New York 22, N. Y.

Pocket Books, Inc., 18 West Forty-eighth Street, New York, N. Y.

Popular Publications, Inc., 205 East Forty-second Street, New York 17, N. Y.

Publishers Distributing Corp., 1841 Broadway, New York 23, N. Y.

S-M News Co., Inc., 229 Fourth Avenue, New York 3, N. Y.

In addition to the distribution of national magazines, we distribute the following newspapers:

Chicago Daily News, Inc., 400 West Madison Street, Chicago 6, Ill.

Chicago Herald American, 326 West Madison Street, Chicago 6, Ill.

Chicago Journal of Commerce, 12 East Grand Avenue, Chicago, Ill.

Chicago Tribune, Tribune Square, Chicago 11, Ill.

New York Herald Tribune, 230 West Forty-first Street, New York 18, N. Y.

The News, 220 East Forty-second Street, New York 17, N. Y.

New York Times, Times Square, New York, N. Y.

Chicago Sun Times, 211 West Wacker Drive, Chicago, Ill.

New York Mirror, care of International Circulation Division, 250 West Fifty-fifth Street, New York, N. Y.

Sporting News, 2018 Washington Avenue, St. Louis 3, Mo.

The following sport and racing periodicals:

Name and address of publisher and title of publication:

Ace Clocker, 64 West Randolph Street, Chicago 1, Ill.: Ace Clocker.

Bulletin Record Publishing Co., 608 South Dearborn Street, Chicago 5, Ill.: Turf Bulletin Daily, Turf Bulletin Weekly.

Cincinnati Racing Record, 320 East Third Street, Cincinnati, Ohio: Cincinnati Racing Record.

Daily Sport News, 906 South Wabash Avenue, Chicago 5, Ill.: Daily Sport News.

Triangle Publications, Inc., Daily Racing Form, 731 Plymouth Court, Chicago, Ill.: Daily Racing Forms, Racing Telegraphs.

Daily Sports Bulletin Co., 32 West Twenty-second Street, New York 10, N. Y.: Sports Bulletin.

Illinois Sports News, 906 South Wabash Avenue, Chicago 5, Ill.: Illinois Green Sheet Daily, Illinois Green Sheet Weekly.

K. & T. Distributing Co., Inc., 422 West Eighteenth Street, New York 11, N. Y.: Winning Horse, Man O' War, Si & Smudgie, Turf Time, Golden Dozen.

Racing Blue Book, 1431, Broadway, New York 18, N. Y.: Racing Blue Book.

Sportcaster Publications, 327 South La Salle Street, Chicago 4, Ill.: Sports-caster Ratings.

Sporting Leader Publishing Co., 407 South Dearborn Street, Chicago 5, Ill.: Master Clocker Weekly, Clocker Last Minute Reports.

We also print, publish, distribute, and sell a scratch sheet and entries. I have never engaged in bookmaking or in any commercial gambling. I have never had a financial interest in any gaming establishment; and, my personal and business associates do not include bookmakers or professional gamblers. Even though a distributor of publications during my entire life, I cannot, to this date, interpret a racing form.

#### PIONEER STOCK

In 1932 my family acquired 12½ shares of stock in a company now known as the Pioneer News Service, Inc., at a cost of \$25,000. On or about 1940, I acquired 22½ additional shares of that stock. The business of Pioneer News Service, Inc., is to distribute and disseminate information pertaining to sporting events and other news of an unusual and sudden nature. The total number of shares of stock issued by that company is 100; 65 shares of which are owned by William Brown and his mother, Agnes Brown. There are no other stockholders in that corporation.

Even though I am a minority stockholder, I have, since about 1943 or 1944, continuously countersigned all checks for the disbursement of corporate funds. These funds are used to pay for the news, ordinary operating expense, salaries, and payments to stockholders and directors. All Pioneer employees, excepting the officers, are on full time. No one excepting the Brown and Molasky families has a financial interest in Pioneer. There are no gangsters, mobsters, racketeers, or other persons of questionable character connected with, interested in, or employed by Pioneer News.

The Pioneer News Service, Inc., is the only corporation that disseminates news of sporting events in which I—or my family—have a financial interest. We have no connections whatsoever with any wire service company in any other city, county, State, or municipality. Being a minority stockholder in Pioneer, I have never had the authority, nor did I attempt to, set the policy of Pioneer.

#### WESTERN UNION

Prominence was given recently by the St. Louis Post-Dispatch to the fact that I am the holder of 14,000 shares of Western Union stock with the implication that there might be some special reason for such ownership. The acquisition and ownership of these shares of stock has no bearing whatsoever, was not induced by, was not influenced, and is in nowise the result of my financial interest in Pioneer News Service.

For years I made it a practice of purchasing and selling various listed stocks. My first purchase of Western Union stock dates back to 1937. I disposed of all Western Union stock in about 1943 and from that date until July of 1946 I did not own any stock in that company. As a speculator, I purchased Western Union stock in July of 1946; and as a direct result of what appears to be a form letter sent by that company to all stockholders calling attention to certain

contemplated technological improvements which they claimed would result in a substantial savings in operation costs. I made a personal investigation at the company's offices in New York and being impressed by the prospects of additional earnings due to savings on labor, we purchased additional shares of stock in that company, all of which stock is still owned and retained by us.

At no time did I discuss with any member of the board of directors or any officers of Western Union the use of their facilities by Pioneer or any other wire service company. I did not attend any of the annual meetings; did not express an opinion to the officers or directors as to the policy of the corporation; and, in nowise participated in the operation of Western Union.

I executed a proxy whenever one was mailed to me by the management and I presume the management used it in the same manner as they used proxies executed by other stockholders. There is a serious doubt in my mind if any officers or directors of Western Union knew that I had a financial interest in Pioneer.

I doubt if the majority stockholders of Pioneer knew of my ownership of Western Union stock. I do not recall ever discussing that matter with any one connected with Pioneer. In purchasing Western Union stock, I was guided by the same principles as I am in the purchase of any other stock listed on the New York Stock Exchange.

WILLIAM MOLASKY.

EXHIBIT No. 43

*Pioneer cash receipts book.*

Week of December 27, 1950:

Fannie-----	\$50.00
A. James-----	75.00
J. Smith-----	75.00
St. John-----	75.00
Portney-----	75.00
Harris-----	75.00
H. Burns-----	50.00
Olsen-----	100.00
J. Burns-----	75.00
Dabbins-----	125.00
Pfeiffer-----	50.00
Powers-----	75.00
Vogt-----	112.50
Brick-----	75.00
Al James-----	50.00
Pierce News-----	75.00
Carroll-----	350.00
Pfeiffer-----	50.00
Rex—Alton-----	30.00
Seenste-----	30.00

January 2, 1951:

Jack Burns-----	\$75.00
H. Burns-----	50.00
Olsen-----	100.00
St. John-----	75.00
Fannie-----	50.00
Barry-----	100.00
Noser—3 weeks-----	225.00
A. James-----	75.00
Portney-----	75.00
Tocco-----	225.00
Harris-----	75.00
J. Smith-----	75.00
Vogt-----	112.50
Brick-----	75.00
Carroll-----	350.00
Powers-----	75.00
Pierce News-----	75.00
Rex Cigar—Alton-----	30.00
Al James-----	50.00

EXHIBIT No. 45

THE WESTERN UNION TELEGRAPH Co.,  
New York, N. Y., October 3, 1950.

Hon. ESTES KEFAUVER,

*Chairman, Special Committee to Investigate Organized Crime in Interstate Commerce, United States Senate, Washington, D. C.*

DEAR SENATOR KEFAUVER: This refers to your letter of September 15 addressed to Mr. Marshall, in which you state that it appeared from the committee's investigations in the St. Louis area that a number of employees of the Western Union Telegraph Co. acted as agents for C. J. Rich & Co. in the acceptance of racing wagers for a commission. We welcome your letter, particularly since it affords an opportunity to clarify the position of the Western Union Telegraph Co. in this matter.

I am aware that statements have appeared in the public press indicating that the Western Union Telegraph Co. performed services in the special interests of C. J. Rich & Co. and other betting establishments; also, that

employees of the telegraph company acted as local representatives for such betting establishments in the promotion and acceptance of wagers on a commission basis. Let me assure you that there is no foundation in fact for either of these statements. The erroneous statements arise from a failure to appreciate the duty of the telegraph company as a common carrier and are due in part to distortion of information obtained from the files of C. J. Rich & Co.

The Western Union Telegraph Co. has never participated in or had any special interest in the operation of C. J. Rich & Co., or any other betting establishment, other than to fulfill its obligation as a common carrier and public service organization to accept without discrimination telegraphic messages or money orders, including those pertaining to wagers, except in certain States where the acceptance or delivery of wager messages or money orders are prohibited by law. The officials of the telegraph company have not been aware of, nor have they at any time condoned the alleged activities on the part of employees in the special interest of C. J. Rich & Co., or any other betting establishment. At no time have employees of the telegraph company been directed to solicit business for, nor were they authorized to accept a remuneration from, any betting establishment.

It should not be necessary to enlarge on the telegraph company's obligation as a common carrier to accept telegraphic messages or money orders without discrimination, including those pertaining to wagers except in States where such communications are prohibited by law. This is covered in the telegraph company's published tariffs, on file with the Federal Communications Commission as Tariff F. C. C. No. 176 relating to messages (specimen No. 1 attached) and Tariff F. C. C. No. 229 relating to money orders (specimen No. 2 attached), and is already a part of the record of subcommittee hearings in connection with S. 3358. Our compliance with these filed regulations, in accepting messages and money orders pertaining to wagers in those States where the transactions are not prohibited by law, represents the extent to which the telegraph company can be associated with the operations of C. J. Rich & Co. or any like establishment.

The duty of telegraph company employees to accept messages and money orders without discrimination, including those pertaining to wagers except in States where such transactions are prohibited by law, has been misrepresented in the press as evidence of a tie-in between Western Union employees and certain betting establishments, including C. J. Rich & Co. It has been stated in the public press that Western Union employees accepted bets which were then placed with known bookmaking establishments. This is a distortion of the facts. Western Union employees have not accepted bets as such, but have merely performed their duties as public servants in accepting without discrimination all messages or money orders, the acceptance and transmission of which were not prohibited by law.

From time to time certain undesirable practices on the part of known betting establishments have been brought to the attention of Western Union officials. Instructions were issued to all Western Union employees as far back as May 24, 1938 (specimen No. 3 attached), long before C. J. Rich & Co. resorted to the use of the telegraph in conducting any part of its business, calling attention to irregular requests made by known betting establishments and warning employees against performing any of the services mentioned. Similarly, in order to avoid any misunderstanding on the part of employees as to our filed regulations with respect to the acceptance of messages and money orders pertaining to wagers, instructions were issued as far back as October 6, 1943 (specimen No. 4 attached), and restated on May 17, 1946 (specimen No. 5 attached), clarifying the company's obligation as a common carrier and the prohibitions or restrictions applicable thereto as a result of laws in the individual States. These instructions clearly define the long-standing position of the telegraph company as being unalterably opposed to any discriminatory act which could be interpreted as in violation of its obligation as a common carrier or the laws of individual States.

The foregoing is a general statement of company policy and has been made for the purpose of dispelling any doubt or misunderstandings that may have existed with respect to the telegraph company's association with betting establishments, and the erroneous idea that it condoned any activities on the part of its employees in favor of such establishments.

Now, I should like to deal specifically with the activities of C. J. Rich & Co., and the interpretations which have been placed by the public press and others

on the files impounded in the raid on the Rich premises on June 5, 1950. In order to give the complete picture, it is necessary to go back to 1948, since the impounded records cover a part of that year.

During the latter part of 1948 and extending into 1949, a number of incidents were brought to the attention of Western Union officials involving irregular activities on the part of C. J. Rich & Co., such as mailing literature to Western Union offices, having a representative call on Western Union managers in an effort to have them solicit patronage for C. J. Rich & Co., sending cash gifts, etc. These incidents were thoroughly investigated and, while the employees who reported them had refused to perform any irregular services for C. J. Rich & Co., it was considered advisable to reaffirm the company's position in the matter and restate what was expected of employees in the way of refraining from any and all activities which would place the company in the position of acting in the special interest of any betting establishment. These instructions, based primarily on our investigation of C. J. Rich & Co.'s activities, were issued on October 11, 1949 (specimen No. 6 attached), 8 months before the Rich raid and approximately the same length of time before the resolution was proposed to establish a Senate committee to investigate organized crime. This is the letter referred to on page 1132 in volume 8 of the Report of Proceedings of the Subcommittee Hearing on Senate Bill 3358, which through inadvertence was not read into the record. I am confident that after reviewing these instructions you will agree that the telegraph company was on the alert in recognizing the possibility of a most unsatisfactory situation developing and in taking suitable action to keep its employees from becoming involved therein, beyond the performance of their normal duties of providing telegraph service.

Our representative in St. Louis was granted the opportunity to examine a part of the files impounded in the Rich raid. The most sensational piece of evidence that has been used by the press is a card index of 158 cities and towns with the names of local Western Union employees. From what I have been able to learn, it was apparently assumed that this card index represented a record of the Western Union employees who acted as local agents for C. J. Rich & Co. It is quite evident from our investigation of the matter that the index was merely a record of personal calls made on Western Union employees by a Rich representative during the latter part of 1948, as well as additional names lifted from correspondence exchanged between C. J. Rich & Co. and our offices with respect to service and billing matters. Every employee whose name appears in the index has emphatically denied soliciting business for or accepting a commission from C. J. Rich & Co.

I should like to reconstruct what actually took place during 1948-49, based on, our most thorough investigation of the situation. A Rich representative made an extended tour of the country, calling on their customers and visiting Western Union offices. The purpose behind the visits to Western Union offices was to secure the names of local employees, then make some business contact through conversation about service matters or opening a charge account, and finally sounding out the employees about soliciting business for C. J. Rich & Co. on a commission basis. In the course of our subsequent investigation we were assured by all employees concerned that no encouragement was offered the Rich representative and no remuneration was ever accepted in the form of a commission on business handled. The Rich representative would usually conclude his visit by presenting several telegrams which C. J. Rich & Co. had received from that city and request the local addresses of the senders. After he was supplied with this information from the local office files, the Rich representative would depart and invariably leave a \$10 or \$20 bill on the counter with some Rich literature or cards. Around Christmas in 1948, most of the offices previously visited received an additional cash gift through the mail, with a card extending the season's greeting from C. J. Rich & Co.

The literature and cards, which contained quotations of odds, etc., left at our offices by the Rich representative, were discarded locally in most cases or referred to a supervisory official for disposition. We did find a few offices making use of the literature, or performing other services for C. J. Rich & Co., such as suggesting that company's name to customers who wished to send messages or money orders pertaining to wagers, accepting mail from Rich addressed to local bettors in care of our office, etc. In every such instance these irregular practices were stopped as soon as they came to the company's attention.

With respect to the cash gifts left at our offices by the Rich representative or subsequently received through the mail, several of our employees simply placed the money in an envelope and returned it direct to C. J. Rich & Co. at

East St. Louis, Ill., or turned the amount over to a company official who returned it to C. J. Rich & Co. In two cities, the amount was turned over by the employees to the local community chest. At some points it was found that the amount was placed in the office pool for division among all employees, our local office people stating they did not consider the acceptance of this particular gift as any more improper or in violation of company regulations than similar gifts received at Christmas and at other times during the year from local concerns in appreciation of efficient telegraph service. These gifts, of which a record was apparently kept in the Rich files, are now being misrepresented as evidence of commission payments having been made to Western Union employees for the performance of services in favor of C. J. Rich & Co. We have no reason to doubt the veracity of our employees; nevertheless, to correct any possible misunderstanding, a telegraphic instruction was issued immediately following the Rich raid, dated June 7, 1950 (specimen No. 7 attached), calling particular attention to the nature of the impounded records and the fact that employees should again be notified that any violation of the October 11, 1949, instructions would result in prompt disciplinary action being taken. A more complete summarization of the Rich incident was contained in general instructions issued on August 18, 1950 (specimen No. 8 attached).

It is believed that Western Union has always been most thorough and straightforward in avoiding any unsavory implications which could be expected to arise from the handling of messages and money orders pertaining to wagers. The company's duty as a common carrier is regulated by the Communications Act. Appropriate amendments of the company's field regulations have been made as the occasion required and clarifying instructions issued to all employees with respect to the observance of local State laws. Other instructions have been issued to all employees from time to time stating what was expected of them in the performance of their normal telegraph duties and the fact that the telegraph company did not condone any irregular activities which might tend to establish the relationship of acting in the special interests of any establishment. We have been unable to uncover a single instance in which a Western Union employee actually performed services for a betting establishment on a pay basis, either cash or otherwise, and any other irregular activities engaged in were stopped immediately with a warning that a repetition would result in severe disciplinary action. However, you will appreciate that in an organization such as Western Union, employing a great number of people, there may be an occasional violation of instructions, either willful or through inadvertence, despite the most careful and extensive supervision.

I wish to thank you again for the opportunity of making this presentation on behalf of the telegraph company, as well as on behalf of its employees, and trust that this report will be of assistance to you and your committee.

Very truly yours,

E. R. SHUTE, Vice President.

[Specimen No. 3]

NEW YORK, May 24, 1938.

To All General Managers:

Under our obligation as a common carrier we accept and handle a large volume of telegraphic money orders containing wagers on horse races, and so long as such orders and accompanying supplementary messages conform with our published tariffs and regulations, we must continue to handle them, but our functioning in these transactions shall not go beyond the rendition of a satisfactory service. The latter point should be emphasized to all employees at offices which handle the orders since information has reached me that certain St. Louis firms who patronize our service extensively, have attempted to use our offices and employees in various improper ways; namely, by sending mail to "prospects" addressed "In care of manager or superintendent, Western Union Telegraph Co." to be delivered to the addressee by messenger in case the letter is not called for; or addressed to the manager or superintendent with the request that one or more accompanying or enclosed letters be mailed or delivered to the addressees, and lastly, by seeking to compensate our employees who might act as agents or perform some particular service for these principals.

If you have not already done so, it would be well to advise all employees that they are not permitted, under State laws in many cases and under our own regulations, to perform any of the services mentioned above or to receive any compensation whatsoever, and that if any requests are received to do these or

any other irregular things for the persons mentioned or others, they shall courteously decline to do them, with the explanation that violation of company rules and regulations, as well as State laws, would be involved.

R. C. FOLGER, *Assistant Vice President.*

[Specimen No. 4]

THE WESTERN UNION TELEGRAPH CO.,  
New York, October 6, 1943.

*All General Managers:*

Referring to our channel message today, in order that you may have the complete picture there is appended below a tabulation of the States in which we are prohibited by law from accepting telegraphic money orders, both interstate or intrastate, containing a supplemental message directing or indicating that a wager is to be placed. In certain States, as indicated, a wager of any kind is prohibited, while in others the particular prohibited kind is specified.

As stated in the message, the prohibition against our handling these transactions originating in the specified States extends also to paying money in the same States in the case of a received money order, hence the direction that such received orders shall be canceled. Obviously, we must stop the acceptance anywhere of a telegraphic money order containing a supplemental message directing or indicating that a wager of the prohibited kind is to be placed in the States in which such transactions are prohibited as originating transactions. Therefore, in addition to instructing offices in the 21 specified States to decline the acceptance or payment of such orders, please promptly direct all offices and agencies in all other States in your division to decline acceptance of the prohibited kind of orders which may be offered for transmission to and payment in any of the 21 States where State laws prohibit our handling such transactions.

Your instructions should also emphasize that the prohibition applies to sent and received foreign money orders containing supplemental wager messages (now prohibited by censorship regulations) and to wager money orders destined to or received from places in the so-called "domestic" zone which embraces Alaska, Canada, Labrador, Miquelon, Mexico, and Newfoundland.

You will wish to stress that employees in the 21 States should carefully explain to senders that we are not permitted by State law to accept money for wagering purposes. In the 27 States where there are at present no such laws, it is most important that our employees explain that the prohibition is in the State (one of the 21) in which the money order would be payable if accepted by us, and that we regret our inability to handle the transaction.

All wagers prohibited :

Alabama	Mississippi	Tennessee
California	New York	Utah
Connecticut	Pennsylvania	Wisconsin
Delaware	Rhode Island	
Maryland	South Carolina	

Wagers on games or contests of skill or endurance of man or beast are prohibited :

Florida	Montana	Washington
Idaho	Oklahoma	
Missouri	Virginia	

Wagers on horse races only are prohibited : Texas.

B. D. BARNETT, *Vice President.*

P. S.—For your information, because of State laws in Alabama, Florida, Oklahoma, and Texas we have directed that any telegram known to us to be intended to place a bet of the kind specified above for the States mentioned shall not be accepted.

[Specimen No 5]

NEW YORK, May 17, 1946.

*All General Managers:*

Recently the company received some unfavorable publicity because money orders containing race wagers had been accepted unwittingly in a State where such transactions are prohibited by law. It is thought advisable that all offices be reminded of the instructions contained in general letters October 6 and 19,

1943, which are restated below. These instructions should be reissued periodically to all officers for review with all concerned.

Because of local State laws prohibiting the sending or receiving of intra- or inter-State telegraphic money orders containing wagers of the kinds indicated for each of the 21 States listed below, no such orders shall be accepted or paid by Western Union offices or agents in those States, nor shall such orders be accepted in other States when payable in the listed States:

Alabama <sup>1</sup>	Mississippi	South Carolina
California	*Missouri	Tennessee
Connecticut	*Montana <sup>1</sup>	†Texas <sup>1</sup>
Delaware	New York	Utah
*Florida <sup>1</sup>	*Oklahoma <sup>1</sup>	*Virginia
*Idaho	Pennsylvania	*Washington
Maryland	Rhode Island	Wisconsin

Offices in the 21 listed States should be instructed not to accept or deliver money orders (or telegrams in some States) containing obvious wagers of the kind prohibited. If such an order (or telegram) containing an obvious wager should be accepted and released for transmission through oversight, it should be canceled by the destination office (or reported undelivered) on account, "Wagers prohibited by this State's law."

When wagering orders for payment in any of the 21 listed States are tendered in one of the other 27 States which there are no such laws at present, it is important that our employees explain that the prohibition is in the State of destination and that we regret our inability to handle the communication.

W. S. FOWLER, Vice President.

[Specimen No. 7]

NEW YORK, N. Y., June 7, 1950.

*All General Managers:*

My letter October 11, 1949, concerning activities of certain betting commissioners and like establishments in sending circulars to our offices and in soliciting cooperation of our employees in having transactions directed to their establishment, etc., instructed that employees not engaged in such irregular activities and specifically prohibited acceptance by employees of gifts, commissions, or gratuities from such betting establishments of their representatives. Despite these specific instructions we now learn from newspaper reports that in a raid on the establishment of C. J. Rich in St. Louis County, Mo., conducted by State police, local, county, and city officers on night of June 5, among records impounded were letters from C. J. Rich to Western Union managers offering commission of 25 percent of winnings, and letters from some managers thanking Rich for bonuses, gratuities, etc. Our supervisory people should know offices where substantial volume these money orders originate and employees those offices especially should again be placed on notice promptly that violation of instructions October 11 letter will result in prompt disciplinary action. Additionally contents of October 11 letter should be promptly reissued to all offices emphasizing that in those cases where representatives of betting establishments have called personally on our managers or written them soliciting patronage or cooperation for their firm in having transactions directed to their establishment, implying that a form of compensation may be expected, our people must make it clear that such activities are contrary to company policy as well as to our obligations as a common carrier and are in violation of company instructions, that if any inquiry is made by a person for the name of an establishment known to accept bets, the answer must be that we have no information of this character and are not in a position to supply it. That aside from the handling of money orders as prescribed in our tariffs and regulations employees must not engage in any other activities associated with the handling of these transactions and under no circumstances may employees accept gifts, commissions, or gratuities from any betting firms or their representatives. Further employees should be instructed and definitely understand that any

\*Wagers on games or contests of skill or endurance of man or beast are prohibited.

†Wagers on horse races only are prohibited.

Unmarked States above prohibit wagers of any kind.

<sup>1</sup>Laws of these States marked in this manner also prohibit the sending or delivering of telegrams pertaining to wagers of the kinds indicated.

circulars or correspondence from betting establishments must be forwarded promptly to the superintendent. Likewise the superintendent must be informed of any offers of compensation, gifts, gratuities, etc., and all such cases should be referred to the general manager concerned for handling with the establishment involved. Such activities on the part of betting commissioners or their representatives should be reported to this office. Any employees who do not observe these instructions or who are guilty of accepting gifts, commissions, bonuses, or gratuities from such establishments will be summarily dealt with. All offices should again be instructed accordingly.

SHUTE.

[Specimen No. 81]

**MONEY ORDERS—WAGERS**

NEW YORK, August 18, 1950.

Messrs. FOLGER	Copy for—
FOWLER	Mr. McMAINS
HEININGER	Mr. RAHDE
PITT	Mr. J. H. WATERS
SIMON	Mr. WILCOX
SWENSEN	Mr. GITTINGS
LITTLE	Mr. HEBERTON

Under its regulations on file with State and Federal regulatory bodies, the telegraph company, as a common carrier and public service organization, is obligated to accept without discrimination, telegraphic money orders or messages including those pertaining to wagers, except that wager money orders or messages may not be accepted or delivered in those States where such transactions are prohibited by law. Numerous general letter instructions stating the company's regulations in this respect have been issued to field offices from time to time. Likewise, employees have been repeatedly warned against displaying or making any use whatsoever of literature containing quotations, odds, or other information pertaining to wages on sporting events which may be mailed out or distributed periodically by certain betting establishments. These features, as well as the responsibility of our employees, as representatives of the company, to avoid being associated with or engaged in any activities for or in favor of known betting establishments, or to accept any gifts or other forms of compensation from such establishments, were last covered in general letter instructions of October 11, 1949, and restated in a telegram on June 6, 1950.

As the result of a raid which was recently made by the police on the premises of C. J. Rich & Co., in St. Louis County, Mo., whose telegraph address is East St. Louis, Ill., the telegraph company has received considerable unfavorable publicity, including the implication that some of our employees have acted as paid agents of Rich & Co. in the acceptance and handling of telegraphic money order wagers.

The company's investigation of the allegations against its employees, as a result of this incident, has been most revealing, particularly as regards the activities of Rich & Co. in endeavoring to secure patronage by offering inducements to persons, including our employees, to act as local agents in various places throughout the country. Among the records seized in the raid was a card index file of 178 cities and towns containing the names of one or more Western Union employees at each place. From the information we have been able to gather, the names of our employees appearing in this file were obtained by a Rich representative, who personally visited numerous Western Union offices during the year 1948, as well as by lifting signatures from correspondence exchanged with Rich & Co. with respect to service and billing matters. The means by which these names were obtained make this card index innocuous as it in no way implicates the Western Union or its employees in the activities engaged in by Rich & Co.

The signed statements of employees whose names appeared in the Rich files, which were obtained in the course of the company's investigation, are believed to be most straightforward and honest. Many of the employees denied having had any contact whatsoever with Rich & Co. representatives, which would indicate that their names were obtained from correspondence relating to service or billing matters. A number of employees acknowledged having been approached by a representative of Rich & Co., as well as representatives of other betting

establishments, or having received literature intended for use of patrons. However, in every case they emphatically denied accepting any offer to act as agent or to otherwise assist in the promotion of this type of business for a consideration, although some admitted making use of the literature in a few instances. Rich & Co. also made a regular practice of distributing cash gifts at Christmas and at other times during the year, which is not an unusual business custom and a number of our employees acknowledged being the recipients of such gifts. Only a few of the gifts, by their size or frequency of payment, appeared to contain any implication of being more than simply a recognition for the normal performance of duties in rendering telegraph service.

It can be readily understood that, for the most part, any gifts received from C. J. Rich & Co., or other known betting establishments, were accepted in good faith by our employees, the same as gifts that are occasionally received from certain large telegraph users and usually distributed or shared among the local employees. It is only upon contemplating the difference in the nature of business and related activities engaged in by the donors, that any distinction would be apparent between gifts received from known betting establishments and other large telegraph users.

In order to correct any misunderstanding that may have existed in the past, all employees should again be instructed to refrain from engaging in any activities, beyond their normal duties of providing telegraph service, which might place the company in the position of acting in the special interest of any known betting establishment. This includes the unauthorized activities brought to light by seizure of the C. J. Rich & Co. files, and subsequent investigation thereof, namely:

1. Acceptance of gifts or compensation from betting establishments in any form whatsoever.
2. Displaying or making other use of literature or publications containing quotations, odds, or other information which would be of assistance to the public in filing telegrams or money orders for the purpose of placing wagers.
3. Suggesting the name of any betting establishment or individual for the purpose of placing a wager by telegram or money order.
4. Accepting mail from known betting commissioners addressed to their customers in care of our offices.
5. Failure to adhere strictly to our money order rules and regulations and the restrictions applicable thereto with respect to money orders containing supplementary messages which indicate the money is being sent for the purpose of placing a wager.

In view of the present unsettled conditions and the publicity attendant thereto, certain betting establishments may attempt to reorganize or increase their activities as a means of securing the former patronage of those establishments no longer in operation. Our employees should have no difficulty in recognizing such activities as not being a part of their normal telegraph duties, and should not participate in them in any way. Instead, any contacts that may take place between our employees and a known betting commissioner, or a representative of same, either by personal call or telephone, or by receipt of literature or a gift, should be promptly reported through organization channels to this office. The following is a list of individuals or establishments which are known to have accepted telegraphic wagers:

C. J. Rich & Co., East St. Louis, Ill.  
J. Mooney, East St. Louis, Ill.  
M. Cooper, East St. Louis, Ill.  
Mella Co., East St. Louis, Ill.  
J. W. Donaldson, Clifton, N. J.  
Dunhill, Chicago, Ill.  
Reno Turf Club, Reno, Nev.

Evidence of employee participation in any irregular activities for or in favor of a known betting establishment, shall be treated as a willful violation of company regulations, subject to dismissal from the service.

Appropriate instructions should be issued to and initialed by all accepting employees, as confirmation of their full understanding of the situation. Supervisory employees should make a periodic review of local conditions when visiting field offices, from the standpoint of any activities on the part of known betting establishments as well as compliance with the restrictions that are effective in various States.

E. R. SHUTE, Vice President.

[Specimen No. 1]

## THE WESTERN UNION TELEGRAPH CO.

Tariff F. C. C. No. 176  
First revised page 15B  
Cancels Original page 15B

## DOMESTIC TELEGRAPH SERVICE

## RULE 3. ACCEPTANCE OF MESSAGE (CONTINUED)

**XII. Miscellaneous (continued):**

(g) Messages for the purpose of placing wagers of the kinds which are forbidden in certain States as indicated below will not be accepted or delivered in those States:

## Kind of wagers forbidden:

Alabama: All wagers.

Florida: Wagers on games or contests or skill or endurance of man or beast.

Monanta: Wagers on games or contests of skill or endurance of man or beast.

New Jersey (N): All wagers.

Oklahoma: Wagers on games or contests of skill or endurance of man or beast.

Texas: Wagers on horse racing only.

If a message for the purpose of placing a wager on the kinds described is accepted through oversight and released for transmission and delivery in one of the above-named States, it will be reported undelivered by service message without charge stating, for example, "Wager messages prohibited by [name of State] law," and the charges of the message in question will be canceled or refunded.

(h) Birthday greeting telegrams are accepted prepaid at offices operated directly by the telegraph company in the United States for singing delivery by telephone to addressees in the cities listed below, also to addressees at points which in Western Union Tariff F. C. C. No. 231, amendments thereto and reissues thereof, are designated by the symbols \*\*, \*\*\* and \*\*\*\* and for which the transfer point as shown in the listings of such points in that tariff is one of the cities listed below:

Akron, Ohio	Hartford, Conn.	Philadelphia, Pa.
Albany, N. Y.	Houston, Tex.	Phoenix, Ariz.
Amarillo, Tex.	Indianapolis, Ind.	Pittsburgh, Pa.
Atlanta, Ga.	Jacksonville, Fla.	Portland, Oreg.
Baltimore, Md.	Kansas City, Mo.	Providence, R. I.
Birmingham, Ala.	Knoxville, Tenn.	Richmond, Va.
Boston, Mass.	Lincoln, Nebr.	Rochester, N. Y.
Bridgeport, Conn.	Little Rock, Ark.	Saint Louis, Mo.
Buffalo, N. Y.	Los Angeles, Calif.	Saint Paul, Minn.
Charlotte, N. C.	Louisville, Ky.	Salt Lake City, Utah
Chattanooga, Tenn.	Memphis, Tenn.	San Antonio, Tex.
Chicago, Ill.	Miami, Fla.	San Diego, Calif.
Cincinnati, Ohio	Milwaukee, Wis.	San Francisco, Calif.
Cleveland, Ohio	Minneapolis, Minn.	Savannah, Ga.
Columbia, S. C.	Mobile, Ala.	Seattle, Wash.
Columbus, Ohio	Montgomery, Ala.	Shreveport, La.
Dallas, Tex.	Nashville, Tenn.	Sioux City, Iowa
Dayton, Ohio	Newark, N. J.	Spokane, Wash.
Denver, Colo.	New Haven, Conn.	Springfield, Mass.
Des Moines, Iowa	New Orleans, La.	Syracuse, N. Y.
Detroit, Mich.	New York, N. Y.	Tampa, Fla.
Duluth, Minn.	Norfolk, Va.	Toledo, Ohio
El Paso, Tex.	Oakland, Calif.	Tulsa, Okla.
Fort Worth, Tex.	Oklahoma City, Okla.	Washington, D. C.
Galveston, Tex.	Omaha, Nebr.	Wichita, Kans.
Grand Rapids, Mich.	Peoria, Ill.	

Matter marked "(N)" issued to become effective May 12, 1950, on not less than 1 day's notice under authority of special permission No. 2904 of the F. C. C.  
 Issued May 9, 1950. Effective June 12, 1950, except as otherwise indicated.  
 Issued by:

L. G. BARTLEY,  
*Superintendent of Tariffs, 60 Hudson Street, New York 13, N. Y.*

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[Specimen No. 2]

THE WESTERN UNION TELEGRAPH CO.

Tariff F. C. C. No. 229

1st revised page 7A

Cancels original page 7A

MONEY ORDER SERVICES

DOMESTIC MONEY ORDER SERVICE (CONTINUED) :

(3) *Acceptance of Applications (continued) :*

(j) *Wager money orders.*—Money orders for the purpose of placing wages of the kinds which are forbidden in certain States as indicated below will not be accepted or paid in those States:

Alabama	*Missouri	Tennessee
California	*Montana	†Texas
Connecticut	New Jersey (N)	Utah
Delaware	New York	*Virginia
*Florida	*Oklahoma	*Washington
*Idaho	Pennsylvania	Wisconsin
Maryland	Rhode Island	
Mississippi	South Carolina	

If a money order for the purpose of placing a wager of the kinds described is accepted through oversight and released for transmission and delivery in one of the above-named States, it will be reported undelivered by service message without charge stating, for example, "Wager money orders on horse races prohibited by [name of State] law," and the charges and tolls on the money order in question and the money order principal will be canceled or refunded.

Matter marked "(N)" issued to become effective May 12, 1950, on not less than 1 day's notice under authority of special permission No. 2904 of the F. C. C.

Issued: May 9, 1950. Effective: June 12, 1950, except as otherwise indicated.  
 Issued by:

L. G. BARTLEY,  
*Superintendent of Tariffs, 60 Hudson Street, New York 13, N. Y.*

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[Specimen No. 6]

NEW YORK, October 11, 1949.

Messrs. FOLGER, FOWLER, HEININGER,  
 PITTS, SIMON, SWENSEN

Copy for—

Mr. J. H. WATERS  
 Mr. J. W. RAHDE  
 Mr. R. H. VEILING  
 Mr. W. W. SEMINGSEN  
 Mr. A. K. MITCHELL

From time to time the company has received unfavorable publicity as a consequence of persons using our money-order service for transactions which turn out to be wagers on horse races or other events. While the matter has been

\*Wagers on games or contests of skill or endurance of man or beast are prohibited.

†Wagers on horse races only are prohibited.

States not marked with \* or † prohibit wagers of any kind.

covered on many previous occasions, recent developments and facts received here make it advisable to reiterate the company's position.

With the exceptions covered in the general letter of May 17, 1946, and more recently in section III, page 2, of tariff circular No. 4 on money orders, the company as a common carrier must accept and transmit money orders, since to decline to do so would be in violation of the Communications Act. On the other hand it is a hard and fast rule of the company that employees must refrain from any and all activities which would place the company in a position of acting in the special interest of any establishment handling transactions of the character mentioned above.

Certain establishments make it a practice periodically to send to our offices literature containing quotations, odds they will pay, and other information pertaining to wagers which they accept from the public. We have no control over this, but when such circulars are received they shall be ignored and destroyed or sent along to the superintendent if the nature of the material justifies doing so. In a few cases it has come to our attention that representatives of such establishments have called personally on our managers soliciting patronage or cooperation for their firm in having transactions directed to their establishment, implying that a form of compensation may be expected. Our people should courteously but firmly make it clear on any such occasions that we have no interest in the matter and cannot as a public carrier engage in any activities of this character. Employees handling money orders must be instructed: (1) That if any inquiry is made by a person for the name of an establishment known to accept bets, the answer must be that we have no information of this character and are not in a position to supply it; (2) that aside from the strict handling of money orders as prescribed in our tariffs and regulations, employees must not engage in any other activities associated with the handling of these transactions, and under no circumstances may employees accept gifts, commissions, or gratuities from any betting firms or their representatives.

One of the latest incidents reported disclosed that certain patrons have mail from betting establishments addressed to them in care of our office. If there are any offices presently receiving such mail, the addressees concerned, when calling for it, should be informed that we cannot handle it. If mail continues to be received thereafter it should be returned to the post office as "Unknown."

However, it must be clearly understood by all that we cannot decline to accept and transmit money orders which may appear to contain wagers (except where prohibited by State law); furthermore, that such orders will receive the same handling as any other orders because it is not within our province to look behind the intent or purpose of a sender who remits funds.

Please have appropriate instructions issued accordingly with the request that the previous general letters and the regulations as outlined in the tariff circular be reviewed.

E. R. SHUTE, Vice President.

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EXHIBIT NO. 49

DEPARTMENT OF POLICE, CITY OF ST. LOUIS

AUGUST 23, 1950.

District: Secret service division, gambling squad.

Subject: Policy lottery information.

Following is a list of persons alleged to be connected with the operation of policy lottery, some having been previously arrested by this squad. The following list includes the owners and operators of the various policy lottery companies, and does not include the managers or writers.

Joseph Stuckel, 73; residing at 2207 Menard (father)

Oliver Conrad Stuckel, 46; residing at 4908 Murdock (son)

Alfred Clodius, 57; residing at 5323 Donovan (father)

Alfred Thomas Clodius, Jr., 30; residing at 5854 Walsh (son)

George Laurence, residing at 5306 Taumm (father)

Eugene George Laurence, 31; residing at 4202 Connecticut (son)

Billy C. Maxey, 24; residing at 3908 South Broadway

Andrew Stevenson, 67; residing at Sappington and Lingbergh, St. Louis County, Mo.

Fred Deidesheimer, 60; residing at 4084 Toenges

Ferdinand Frank Keyman, 49; residing at 3457 Tennessee  
 Harry W. Schuermann, 1605 Jonquil Drive, Webster Groves, Mo. (confined in Federal penitentiary)  
 John J. Casserly, residing at 2818a Laclede Station Road, Maplewood, Mo.  
 John Charles Profoich, residing at 3246a Gravois; 54 years of age  
 Otis W. Lee, 41; residing at 8727 East Bridgeport, Brentwood, Mo.  
 Arthur Seise, 44; residing at 4910 Hegge Road, St. Louis County, Mo.  
 Lee Renno Ladd, 41; residing at 3640 Childress  
 Henry Casper Zwicke, 62; residing at 6651 Winona  
 Harry Seise, 58; residing at 4968 Robert  
 Irvin Clearman, 44; residing at 5826 Roosevelt  
 Ben Shenberg, 31; residing at 741 Eastgate, University City, Mo.  
 Philip Joseph Abelson, 44; residing at 5568 Waterman  
 Ezra Harris, colored, 41; residing at 3851 Page  
 Hosea Harris, colored, 39; residing at 4261 West Page  
 Aras Cavin, colored, 55; residing at 1504 Wagoner  
 Adolph Smith, colored, 44; residing at 4019 Finney  
 Tom Smith, colored, 48; residing at 1130 North Sarah  
 Louis Riddle, colored, 49; residing at 1146 North Leonard  
 Kenneth Strong, colored, 40; residing at 4341 Fairfax  
 Fred Douglas Holloway, colored, 53; residing at 1705 North Sarah  
 Jesse Waldorf Hester, colored, 50; residing at 4466 Page

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## DEPARTMENT OF POLICE, CITY OF ST. LOUIS

AUGUST 23, 1950.

District: Secret service division, gambling squad.

Subject: Weather and other lottery ticket information.

Following is a list of persons alleged to be connected with the operation of weather and other lottery tickets, some having been previously arrested by this squad:

Phillip Alshuler, 54; residing at 4615 Lindell Boulevard  
 Frank Reader, residing at 8448 Ardsley Drive, Belnro, St. Louis County, Mo.  
 Harold Berthold Blumenthal, 38; residing at 6510 Clayton (printer)  
 Joseph Matthew Cayse, 39; residing at 4943 Margaretta (printer)  
 Arthur Kuntz, 51; residing at 4537 Durant (agent)  
 Walter M. Clark, 42; residing at 4420 Chippewa (agent)  
 Theodore Lutz, 57; residing at 7360 Wellington, University City, Mo. (agent)  
 Roy Ruesser, 54; residing at 1509 St. Louis (agent)  
 Eugene John Tebeau, 6506 West Florissant; 48 years of age (agent)  
 Theodore Pearline, 48; residing at 5762a Theodosia (agent)

(The above-named persons are connected with the operation of the Roxy weather-ticket lottery.)

Reuben Grimsky, 46; residing at 2330 Olive Street (operator)

Edna McCreary, 51; residing at 4066a Labadie (employee)

Sarah Mildred Trudell, 68; residing at 6519 Pasadena, Pine Lawn, Mo. (employee)  
 Harold Louis Kabak, 33; residing at 5808 Lotus (agent)

(The above-named persons are connected with the operation of the Ace treasury balance tickets.)

Melvin Irvin Taber, 43; residing at 5440 Pernod.

William Bernard Taber, 53; residing at 2471 Northland, Sycamore Hills, County.

(The above-named persons are connected with the operation of the Best and Big Four weather-ticket lottery.)

Clarence Earl Mueller, 31; residing at 2228 Madison.

William O'Leary, alias William Bolin, alias William Burk, 39; residing at 3816 Lincoln

(The above-named persons are connected with the operation of The New Bingo weather-lottery ticket.)

Oscar Welz, 52; residing at Box No. 475, Affton, Mo.

Otto Welz, 8600 General Grant Lane, Affton, Mo.

Arthur Albert Blunk, 39; residing at 6218 Seanlon (agent)

Arthur Edward Hartung, 57; residing at 1424 Bird (agent)  
Homer Best Walden, 71; residing at 4932 Pernod (agent)

(The above-named persons are connected with the operation of the S. C. weather-lottery tickets and Silver Treasury Bond lottery tickets.)

Albert Joseph Keller, 45; residing at 5502a Ashland.

Bernice Celeste Myles, 46; residing at 2629 Carson Road, St. Louis County.

(The above-named persons are connected with the operation of the Win-A-Chev lottery ticket.)

Floyd Renaud, 43; residing at Rural Route No. 8, Box 2255, Lemay, Mo.

Elmer George Stanton, 56; residing at 7321 Pershing, University City, Mo.

(The above-named persons are distributors of various weather and treasury balance lottery tickets.)

Meyer, Levy, 46; residing at 5660 Lotus (weather-ticket distributor).

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DEPARTMENT OF POLICE, CITY OF ST. LOUIS

AUGUST 23, 1950.

District: Secret service division, gambling squad.

Subject: Handbook information.

Following is a list of persons arrested by this squad in connection with the operation of various handbook establishments, or handbook activities, from January 1, 1948, to the present date:

Lewis William Jones, 42; residing at 5152 Waterman

Victor Padratzik, 32; residing at 6419 Cafes

Thomas Duggan, 45; residing at 6009 Etzel; arrested January 3, 1948, at 554 Limit Avenue

Bernard Augustine Quigley, 61; residing at 4462a Forest Park; arrested January 26, 1948, at 4835 Delmar (tavern)

George Davis, 63; residing at 4511 Washington; arrested February 7, 1948, at 5015 Delmar (tavern)

Henry Orville Beck, 39; residing at 1700a Chouteau; arrested February 9, 1948, at 1700 Chouteau (tavern)

Edward Pascover, 38; residing at 6461 Clayton

Sam Tooco, 48; residing at 5943 Lalite (deceased)

Anthony Viviano, 36; residing at 140 Habeking, St. Louis County; arrested February 16, 1948, at 417a Franklin, room 202

George Edmund McNatt, 53; residing at 4545 Adelaide; arrested March 20, 1948, at 4400 West Florissant (tavern)

Albert Sebastian Gander, 45; residing at 6231 Easton; arrested April 2, 1948, in front of 6115 Easton Avenue (sidewalk bookie)

Emil Nicholas Stilinovic, 41; residing at 5052 Tholozan; arrested April 6, 1948, at Eighteenth and Market (news vendor)

John Michael Fromm, 42; residing at 4563 St. Louis; arrested April 23, 1948, at 3606 Hebert (tavern)

Phillip Ojile, 35; residing at 2338 South Compton; arrested May 4, 1948, at 3613 Juniata (tavern)

Edward James Cutler, 37; residing at 1510 North Grand; arrested May 5, 1948, in front of 3653 Cass Avenue (tavern and sidewalk bookie)

James John Maloney, 37; residing at 4508 McPherson; arrested May 8, 1948, 220 North Kingshighway

James A. Michaels, alias Mickey Michaels, 44; residing at 924 LaSalle

Joseph M. Simon, alias Mulehead, 43; residing at 908 Hickory

Charles Simon, 36; residing at 916 Hickory; arrested June 1, 1948, at 608 Hickory

Walter Dunn, 54; residing at 4750 Natural Bridge

Gene Patrick Canty, 31; residing at 6106 Etzel; arrested June 11, 1948, at 4743 Natural Bridge (tavern)

John Leonard Callahan, alias Jackie, 46; residing at 3725 North Twenty-fifth Street; arrested June 23, 1948, at Maryland Cigar Store, 822 Pine Street

Sam Schachter, 35; residing at 5250 Enright (operator)

Victor Robinson, 56; residing at 500 North Forty-third Street, East St. Louis, Ill. (clerk); arrested June 28, 1948, World's Fair Cigar Store, 3566 Olive Street

William James Smith, 53; residing at 3127 Locust; arrested June 30, 1948, cigar store, 307 North Leonard Avenue  
Sam Schachter, 35; residing at 5040 Enright Avenue; arrested July 1, 1948, cigar store, 3566 Olive Street  
Louis Ferrone, 51; residing at 4103a Laclede; arrested July 1, 1948, barber shop, 4103 Laclede  
Sol Brick, 44; 738 Kingsland, University City, Mo.; arrested July 3, 1948, tavern, 17 South Vandeventer Avenue  
Oliver Dee Chalmers, 55; 509 Chestnut Street (200 Club employee)  
Frank Hovance, 41; residing 1805a South Tenth Street (200 Club employee); arrested at Third and St. Charles Street on July 3, 1948  
Hyman Levin, 44; residing 2020 Biddle Street  
Thomas Ludwig, 41; residing 722 North Twentieth Street; arrested July 5, 1948, rear cleaning shop at 16 North Sixth Street  
Morris Zorensky, 48; residing 903 St. Charles Street (operator)  
Fannie Fishman, 46; residing 903 St. Charles Street (operator); arrested July 21, 1948, at St. Charles Cigar Store, 501 North Ninth Street  
William Bert Heady, 39; residing 7408 Tennessee Avenue (clerk)  
Robert Carney, 33; residing 4660 Greer Avenue (clerk)  
Gilbert Herman, 33; residing 7634 Manette, Jennings, Mo. (clerk); arrested July 22, 1948; handbook in rear of 4850 Page Boulevard  
Joseph William Creely, 40; residing 3326 Cambridge Avenue, Maplewood, Mo.; arrested July 23, 1948, Imperial Pool Room, 910 Pine Street (operator)  
Charles Maurice Schaper, 44; residing 4320 Randall Place; arrested July 24, 1948, tavern at 2002 East Grand Avenue (operator)  
Edward Mulligan, 48; residing 1107 Childress Avenue (operator); arrested July 29, 1948 cigar store at 419 Chestnut Street  
Sam Sehachter, 35; residing 5042 Enright Avenue (operator)  
Anthony George, 35; residing 1129 South Tenth Street (clerk); arrested August 2, 1948, cigar store, 3566 Olive Street  
Abe Balk, 38; residing 1396 Arlington Avenue (news vender); arrested August 4, 1948, in front of 6115 Easton Avenue  
James Joseph Murrah, 40; residing 2144 Lafayette Avenue  
Ellis Edwin Vineyard, 35; residing 912a Hickory Street; arrested August 5, 1948, Park Tobacco Store, 1912 Park Avenue  
Andrew Julius Backy, 32; residing 4425 rear Olive Street (operator); arrested August 11, 1948, rear 4425 Olive Street  
Harry John McCutcheon, 37; residing 4437 Catherine Place (operator)  
Karl Frederick Seiler, 46; residing 2122a John Avenue (tavern operator); arrested August 11, 1948, Elm Tavern, 1447 North Broadway, later on same date  
Richard Joseph Repetto, 47; residing 1450a Clinton Street (clerk); arrested in handbook at 4437 Catherine Place.  
Anthony Fredo, alias Anthony Fredo George, 33; residing 1012a Hickory Street (clerk); arrested August 14, 1948, at cigar store, 3566 Olive Street  
Bernard Legamaro, 42; residing 4022 McRee Avenue (operator); arrested August 20, 1948, at 3450 Arlington Avenue  
Arthur Leon Silverman, 38; residing 5804 Cote Brilliante Avenue; arrested August 26, 1948, at Ninth and Olive Street (news vendor)  
Hyman Levin, 44; residing 2020 Biddle Street  
Ely Galansky, 48; residing 1400 Goodfellow Boulevard; arrested August 27, 1948, cleaning shop, 16 North Sixth Street  
Harry Richardson, 37; residing 2134 South Fourth Street (bartender); arrested September 6, 1948, tavern at 2628 South Broadway  
Emil Sarkis, 32; 1882 South Twelfth Street (operator)  
John Vassallo, 38; 6453 Southwest Avenue (clerk)  
John Doran, 33; residing 2118 Lafayette Avenue (clerk)  
Louis Matthews, 40; residing 1414 South Ninth Street (clerk); arrested September 10, 1948, handbook, rear 2325 Gravois Avenue  
William Harry Mattingley, 39; residing 5318 Easton Avenue; arrested October 25, 1948, hamburger stand, 5316 Easton Avenue  
Samuel Elma Moore, 56; residing 1332 Hawthorne Avenue (operator); arrested October 28, 1948, restaurant, 4169 Olive Street  
Jacob Lubas, 46; residing 1201 South Seventh Street (operator)  
Ann Helen Carpenter, 37; residing 2804 South Eighteenth Street (tavern owner); arrested November 15, 1948, Paradise Tavern, 2800 South Eighteenth Street

James Robert Banguess, 65; residing at 4308 Penrose (bartender); arrested November 17, 1948, 4142 North Newstead Avenue (tavern)

John Joseph Tolm, 25; residing at 3929 Juniata (operator)

James Lewis, colored, 35; residing at 4188 Enright Avenue

Melvin Drew, colored, 48; residing at 1525 Deer Street

Charles North Jones, colored, 47; residing at 3952 Aldine; arrested November 24, 1948, 3848a Finney Avenue (handbook)

Joe John Joseph, 40; residing at 1231 Morrison Street (operator); arrested December 3, 1948, at 904 LaSalle Street

Carl Frederick Peterson, 46; residing at 8011 Britton, Affton, Mo.; arrested December 8, 1948, at 5525 Easton Avenue (tavern)

Louis Ferrone, 54; residing at 4941 Eichelberger (operator); arrested December 16, 1948, at barber shop, 4103 Laclede

John Barry, 41; residing at 6304 Arsenal (operator)

Harry Robert Niven, 54; residing at 3520 South Grand (bartender); arrested January 7, 1949, at 3633 Gravois (tavern)

Harold Walter Ryser, 48; residing at 2000 East Warne (operator)

Fred August Riess, 50; residing at 5603 Delmar (clerk)

Edward Fred Mueller, 45; residing at 4118b Farlan (clerk); arrested January 15, 1949, at 506 North Vandeventer (handbook), room 203

George Hazer, 37; residing at 3833 Oregon (clerk); arrested February 4, 1949, at 3774 Chippewa (tavern)

Morris Kosciusko Schachter, 51; residing at 3733 Lindell (operator); arrested February 5, 1949; at 714 North Broadway (tavern)

Frank Thomas Collins, 38; residing at 3236 Portis

Ben Daniel Swan, 33; residing at 7417 Zephyr, Maplewood, Mo.; arrested February 22, 1949, at 2251 South Kingshighway

Gus Joseph DeCarlo, 30; residing at 4728 St. Louis; arrested February 23, 1949, at Seventh and Olive (news vendor)

Russell Juddie Ziegenhein, 35; residing at 1042 Gimblin

John Thomas Creech, 25; residing at 10000 Stimson, Riverview Gardens, St. Louis County (bartender); arrested March 12, 1949, at 4423 South Kingshighway (tavern)

Joseph Feldman, alias Leach Cross, 52; residing at 4011 McRee

Simon Hart, alias Si Hart, 61; residing at 4347a Shaw; arrested March 19, 1949, at 4011 McRee (handbook)

Albert Andrew Factor, 58; residing at 3324 Illinois (barber); arrested March 23, 1949, at 721 Olive Street, room 324

Louis Ferraris, 39; residing at 1014a McCausland (tavern owner); arrested April 1, 1949, 1001 McCausland (tavern)

William Lappin, 32; residing at 5106 Easton Avenue (clerk)

Edward Mueller, 46; residing at 4408b Farlan (clerk)

Fred Riess, 50; residing at 4318 West Florissant (clerk); arrested April 6, 1949, at 8023 North Broadway (handbook)

James Bernhardt, 45; residing at 6257 Eichelberger (deceased operator)

John Vassallo, 38; residing at 6455 Southwest (clerk)

John Murray, 37; residing at 1129 South Ninth Street (clerk)

John Webb, 38; residing at 5610 Lotus (clerk); arrested April 30, 1949, at 3908 Olive Street, room 218 (handbook)

Sherlock Feldman, 47; residing at 715 Limit, University City, Mo. (operator)

Ray Burkoff, 42; residing at 5201 Cates (clerk); arrested May 3, 1949, at cigar store 547 Rosedale

Daniel Joseph Bresnahan, 43; residing at 2923a Belt (tavern operator)

Edward Patrick Lavin, 33; residing at 2007 Abner Place (bartender); arrested May 7, 1949, at tavern 2923 Belt Avenue.

Edward Lawrence Lanahan, 45; residing at 4113a Manchester (operator); arrested May 13, 1949, at 4061a Chouteau Avenue (handbook); later arrested

Frank Louis Suda, 43; residing at 4121a Clayton Avenue (clerk); arrested in cigar store at 4063 Chouteau Avenue

William Royce Holmes, 34; residing at 3619 Missouri (operator)

John Robert Byrne, 42; residing at 3104 Cherokee (clerk)

Phillip Baldwin, 41; residing at 3196 Pennsylvania Avenue (clerk); arrested June 9, 1949, at 3619a Missouri (handbook)

John Nicholas Orso, 33; residing at 6600 Hegge Road, Affton, Mo. (bartender); arrested June 11, 1949, at 3633 Gravois (tavern)

James Bernhardt, 43; residing at 6257 Eichelberger (deceased operator)

Paul Turley, 33; residing at 2307 Minnesota (clerk); arrested June 18, 1949, at cigar store, 1912 Park Avenue

Baptista Bommarito, alias Robert Bommarito, 41; residing at 4123 Tholozan (operator)  
Thomas Jefferson White, 58; residing at 5153 Cologne (clerk); arrested July 23, 1949, at cigar store, 2004 Gravois Avenue  
William Royce Holmes, 34; residing at 3619 Missouri Avenue (operator)  
Walter Charles Moll, 34; residing at 756 Pardella, Lemay, Mo. (clerk); arrested July 29, 1949, 3131 Juniata (handbook)  
George Assad George, 45; residing at 2636 Lafayette (operator); arrested August 1, 1949, at 2630 Lafayette, room 21 (handbook)  
Harry John McCutcheon, 38; residing at 4437 Catherine Place (operator)  
Richard Repetto, 48; residing at 1450a Clinton (clerk)  
Joseph John Flick, 58; residing at 4548a Fair (barber); arrested August 17, 1949, handbook at 4437 Catherine Place  
Pearl Shehorn, 46; residing at 4471 Olive Street (operator)  
Joseph Plum, 38; residing at 2609 Hord, St. Louis County (clerk)  
Harry Green, 38; residing at 5732 Theodosia (clerk); arrested September 2, 1949, pool room 572 DeBaliviere (handbook)  
Edwin Karl Eyermann, 53; residing at 5066 Oleatha (tavern operator)  
Edwin Indermill, 44, residing at 4975 Tyrolean (clerk); arrested September 10, 1949, at 5100 Cologne (tavern)  
John Hopkins Barry, 42; residing at 6304 Arsenal (operator)  
Norman Anderson Barry, 70; residing at 6304 Arsenal (operator)  
Robert Elvin Wright, 39; residing at 6726 Lansdowne (clerk)  
Edward Leroy Reed, 40; residing at 3001 Dyer, Overland, Mo. (clerk)  
Harold Platt, 36; residing at 4354 Neosho (clerk); arrested September 10, 1949, 6304 Arsenal (handbook)  
Henry Richard Carenza, 45; residing at 4053 DeTonty (traveling bookie); arrested September 13, 1949, at pool room, 3866 Folsom  
Norman Anderson Barry, 70; residing at 6304 Arsenal (operator)  
John Hopkins Barry, 42; residing at 6304 Arsenal (operator); arrested September 15, 1949, in front of 2621 Arsenal  
Raymond Roger Embree, 38; residing at 1365 North Union (bartender); arrested September 20, 1949, at 3630 Washington (tavern)  
Everett Alfred Smith, alias John Smith, 34; residing at 9520 Cantwell, Affton, Mo. (operator)  
Frances Virginia Smith, 38; residing at 9520 Cantwell, Affton, Mo. (operator)  
Joe Fusco, 43; residing at 311 Fillmore (clerk); arrested October 19, 1949, at 3821 South Broadway (handbook)  
Edward Louis Dunn, 38; residing at 4743 Natural Bridge Avenue (bartender)  
Sylvester Michael Dunn, 46; residing at 5740 Hiller Place (tavern operator); arrested October 29, 1949, at 4743 Natural Bridge (tavern)  
David Fixler, 33; residing at 1339a Montclair (operator)  
Harry Inukai, 36; residing at 114 South Tenth Street (operator)  
Clifford Hickel, 50; residing at 3807 South Kingshighway (clerk)  
William Hadzick, 35; residing at 2050 Lafayette (clerk); arrested November 5, 1949, in the West End Tobacco Store, 5618 Delmar (handbook)  
Carl Frederick Gebo, 27; residing at 5824a Highland Avenue (tavern operator); arrested November 11, 1949, at 1144 North Union (tavern)  
Fannie Fishman, 47; residing at 903 St. Charles (operator)  
Mike Montefelice, 39; residing at 3488 North Ninth Street (clerk); arrested November 19, 1949, at St. Charles Cigar Store, 501 North Ninth Street (handbook)  
Robert Harry Miller, 43; residing at 5878 Plymouth Avenue (walking bookie)  
Charles Harshey, 53; residing at 4948 Wabada (walking bookie); arrested November 22, 1949, at 5292 Page (tavern)  
Sam Ciluffo, 41; residing at 4247 Blair Avenue, arrested November 26, 1949, at 1803 Cass Avenue (tavern)  
Alexander Thomann, 48; residing at 8445a Newby (bartender); arrested January 7, 1950, at 8114 North Broadway (tavern)  
Henry Richard Carenza, 45; residing at 4053 DeTonty (walking bookie); arrested January 21, 1950, at 1559 South Thirty-ninth Street (tavern)  
Daniel Walter Crane, alias Bud, 50; residing at 4636 Penrose (operator)  
Antoinette Crane, 50; residing at 4636 Penrose (operator)  
Lacey Harper Burnette, 42; residing at 3809 Folsom (clerk); arrested January 25, 1950, at 4636 Penrose (handbook)  
Gilbert Herman Nichols, 34; residing at 5381 Ruskin (operator)

John Chandler, 35; residing at 6229 Berthold (clerk); arrested January 11, 1950, at 5381 Ruskin (handbook)

Emil Sarkis, 33; residing at 1882 South Twelfth Street (operator)

Washington Aboussie, 37; residing at 2606 Minnesota (clerk)

Siad Thaier, 44; residing at 1119 Frey (clerk)

Fred Johnson, 35; residing at 1814 Kennett Place (clerk)

Louis Schulte, 38; residing at 4069 Holly Hills (clerk)

Clifford Edward Hickel, 52; residing at 3807 South Kingshighway (clerk); arrested March 1, 1950, at 1880-1882 South Twelfth Street (handbook)

Elmer Samuel Moore, 58; residing at 1332 Hawthorne, Richmond Heights, Mo. (operator)

Theodore Poulos, 56; residing at 6226 Arsenal (restaurant operator); arrested March 7, 1950, at 4169 Olive (restaurant)

Sam Ketcher, 38; residing at 4305 Shreve (operator); arrested March 10, 1950, at 4833 Delmar (tavern)

William Tobin, 35; residing at 4065 Chouteau (operator)

Henry Tabacnic, 54; residing at 410 DeBaliviere (clerk)

Vivian Pollard, colored, 30; residing at 3867a Delmar (clerk)

Melvin Drew, colored, 49; residing at 1525 Deer (clerk)

Charles North Jones, colored, 49; residing at 4259 West Cook (clerk)

Robert Pollard, colored, 54; residing at 3867 Delmar (tavern operator); arrested March 22, 1950, at 3867 Delmar (handbook)

Otha William Jones, 43; residing at 5008 Raymond (walking bookie); arrested May 12, 1950, at poolroom, 3815 Easton

William Louis Stalley, 52; residing at 5217 Ulena (barber); arrested May 18, 1950, at 500½ Pine Street

Charles Jacob Rich, 46; residing at 701 Eastgate

Ralph Martin Leon, 44; residing at 108 North Kingshighway

Sidney Wyman, 40; residing at 5348 Delmar

Edward Benjamin Fischer, 52; residing at 5819 Enright; arrested June 14 and 15, 1950, in connection with operation of C. J. Rich & Co., and held for New Jersey authorities

George Ernest Breuning, 50; residing at Fern Glenn, Valley Park, Mo. (operator)

John Joseph Vassallo, 38; residing at 819 North Eighth Street (tavern operator); arrested June 21, 1950, at 819 Lucas Avenue (handbook)

Melvin William Mulligan, 47; residing at Bopp and Bedford Roads, Kirkwood, Mo. (operator); arrested July 11, 1950, at the Chestnut Cigar Store, 100 North Sixth Street

Sam Kabak, 49; residing at 1478a Clara (operator)

Eugene Roy Heineman, Sr., 45; residing at 1818a Salisbury (clerk); arrested July 11, 1950, at 3614 North Broadway (handbook)

Isadore Schwartz, 54; residing at 5315 Ridge (bookie)

Edward Portney, 54; residing at 4535 Lindell (bookie)

Sam K. Hollander, 49; residing at 750 Kingsland, University City, Mo. (bookie); arrested July 15, 1950, at Washington Tobacco Shop, 1727 Washington Avenue

Russell Juddie Ziegenhein, 36; residing at 1042 Gimblin (tavern operator); arrested July 22, 1950, at 4423 South Kingshighway (tavern)

Isadore Schwartz, 53; residing at 5315 Ridge (bookie)

Victor Padratzik, alias Victor Perry, 32; residing at 5232 Kensington

Sam Hollander, 49; residing at 750 Kingsland, University City, Mo. (bookie); arrested July 31, 1950, at Washington Tobacco Shop, 1727 Washington

Joseph Levy, 42; residing at 410 DeBaliviere (bookie)

Thomas Duggan, 47; residing at 6009 Etzel (bookie)

Nathan Maltzman, 44; residing at 4172 Washington (bookie); arrested August 3, 1950, at Sherlock's Tobacco Store, 5894 Delmar

Ralph Bohan, 44; residing at 6255a Eichelberger (bookie)

Harry Ritzer, 46; residing at Rural Route No. 2, Chesterfield, Mo. (tavern operator); arrested August 7, 1950, at 4918 Delmar (tavern)

Edward Fred Mueller, 47; residing at 4418b Farlin (bookie)

James St. John, 70; residing at 2332 Madison (bartender); arrested August 14, 1950, at 2248 Madison (tavern)

Jacob Molody Fields, 73; residing at 1512 Linton (barber); arrested February 1, 1950, at 2121 North Fourteenth Street (barber shop)

## EXHIBIT No. 50

## GANGLAND MURDERS IN ST. LOUIS AND EAST ST. LOUIS AREAS

At the close of World War I, all areas of the Midwest proved to be lucrative for the furtherance of gangland activities because of the advent of prohibition. Prior to the war, organized gangs were practically nonexistent, and hoodlums operated largely on an individual basis. When it became evident that illegal manufacture and distribution of liquor carried with it great financial potentialities, gangs began organizing and competing for this lucrative business.

At this time, St. Louis housed five gangs of major importance—the Hogan gang, the Egan Rats, the Cuckoo gang, and the Green Dagoes, a group of Sicilians and a gang of American-born Italians. Central and southern Illinois furnished two major gangs—the Shelton gang and the Birger gang.

During the 1920's, open vicious gang warfare raged between the various gangs and subdivisions of these gangs and reached a peak in bloodiness unparalleled in United States crime history. The center of the Illinois war was in the coal-mining districts of that State and the center of the war was in Williamson County which finally became to be known as "Bloody Williamson County."

Charles Birger, who headed the Birger gang, had been reared in the coal-field district of Saline County, Ill. After serving in the Army, Birger became a leading bootlegger of that area. Birger then moved to Williamson County and soon joined forces with the Sheltons.

The Shelton gang was headed by Carl Shelton who, with his brothers, Earl and Bernie, started the bribing of public officials in Illinois and ultimately controlled all of the bootlegging and organized gambling in Illinois, save Cook County.

At one time or another, the three Shelton brothers were charged with everything from murder, bank robbery, assault to murder, conspiracy to violate the National Prohibition Act, kidnaping, mail robbery, and a multitude of lesser offenses including violating the Mann Act.

In 1923, the Ku Klux Klan became an active political influence in southern Illinois and was Shelton's and Birger's natural enemy. The Klan was headed by S. Glen Young, a southwestern desperado. In less than 6 months, the Williamson County coroner filed verdicts of 153 cases of death from unknown causes or by persons or persons unknown.

Late in 1924, the Ku Klux Klan gang had been largely exterminated and with the murder of Glenn Young by the Shelton gang, the Ku Klux Klan rapidly declined as a political power. Shortly thereafter, the Sheltons and the Birgers parted company and began a gang war to control the central and southern Illinois rackets. Members of the joint mob then began to choose which side they were to join and by 1926 the cleavage was complete. At about this time, Frank "Buster" Wortman made his appearance in the Illinois scene with the Sheltons.

Birger opened up headquarters in a log-cabin roadhouse and the Sheltons maintained headquarters in East St. Louis.

A violent and bloody gang war then followed in which armored cars and armored trucks were used in gun battles and the Sheltons even went to the extreme of hiring an airplane to bomb the Birger headquarters. The war finally ceased with the execution of Birger following his murder conviction in 1928.

With the collapse of the Birger gang the Sheltons were in full control in Illinois, and this control extended to the Chicago area. Law-enforcement authorities have been of the opinion that the Sheltons were associated with the Capone mob at this time. Shelton had moved into the gambling business in a large way and was unmolested by Illinois authorities and instituted the payment of "ice" to the authorities.

A careful estimate of their income at the peak of their success in 1930 was that they were collecting \$2,000,000 a year from slot machines, \$1,500,000 from handbooks, and \$1,000,000 from other gambling, such as dice, etc., and \$250,000 from vice. Estimates were that they had collected approximately \$5,000,000 a year, and after paying for protection and other costs of operation the Sheltons netted between \$1,500,000 to \$2,000,000 each year.

By 1940 the Shelton gang controlled practically every area in Illinois save Cook County and its immediate environs.

Following the release from penitentiaries of members of the various gangs in the St. Louis area, another gang war began which resulted in the extermination of the major figures of the Shelton gang.

While the Shelton-Ku Klux Klan and the Shelton-Birger wars were raging in Illinois vicious gang wars raged in St. Louis and St. Louis County. A gang of hoodlums called the Green Dagoes, reputedly Mafia members from Sicily, began attempting to take over the bootleg operations from a group of American-born Italians. Thirty-six gangsters were killed in this bloody exchange and during the peak of the war in 1927 an average of one Italian a day was murdered for 1 month. This string of murders killed or dispersed most of the active Mafia and left the American-born Italians in control of most of the bootleg area in certain St. Louis areas.

South St. Louis was the area controlled by a group of American-born hoodlums and hoodlums of Syrian descent who operated under the name of the Cuckoo gang and worked as hired killers and "musclemen" for other gang organizations. There were several factions of this gang and they assisted the American-born Italians in the extermination of the Sicilian mob. Another portion of the Cuckoo gang worked with the Shelton gang as guards for stills, guards for trucks hauling bootleg liquor, and performed other duties incident to large-scale crime operations.

In the early 1920's St. Louis' most important mobs—the Egan Rats and the Hoganites—engaged in a war of attrition for the control of the rackets. These gangs operated largely in north St. Louis and the citizenry of St. Louis finally became so appalled at the open shootings and murders that the president of the police board, together with the chief of police of St. Louis, called the respective leaders of the gangs into a conference and asked them to sign a truce. The Egan gang had steadily been gaining an advantage over the Hogans and this truce was arranged with the leaders signing an agreement. Later the top echelon of the Egan gang were sentenced to long penitentiary terms for mail robbery and did not reenter the local scene until some 16 or 17 years later.

The following is a list of the more important gang murders and shootings in this area in the past 20 years wherein no convictions were obtained:

GANG MURDERS, 1930-50 (COMPILED NOVEMBER 1950)

January 17, 1930: Ray Weaver, a member of the notorious "Pillow" gang, was shot six times in the back and killed by Carmelo Fresina, leader of the gang, who pleaded self-defense. Killing occurred at Fresina's home, 2716 Semple Avenue and he was not indicted. Fresina, also known as Charles Freese, was born in Castiglione, Italy, and never had been convicted of a felony. A bootlegger and extortionist, he was suspected in the murders of a neighbor, Joe Bucceri, in 1922, and two of his saloon partners, Clarence Schnelle, killed in 1927 and Angelo Corella, killed in 1928. The "Pillow" gang was so named because Fresina was once shot in the buttocks and thereafter carried a pillow with him to use when he sat.

March 19, 1930: Angelo Clementi, prosperous bootlegger, was lured from his Collinsville home and killed by two men posing as prohibition agents on eve of his trial for liquor conspiracy.

October 2, 1930: Peter McGtigue, Cuckoo gangster, and William E. Boody, former business agent of the East St. Louis plumbers union associated with the Cuckoos, were killed; Sam Therina, bootlegger, and Joe Moceri, police character, were wounded in a machine gunning of a still on the Mississippi River near Valmeyer, in Monroe County, Ill. James Dormondy, a Cuckoo lieutenant, escaped. The men were sleeping in a shack near the still when the area was sprayed with about 100 machine-gun bullets. The assassinations were blamed on the Shelton brothers, who had warned members of the Cuckoo gang to stay on the Missouri side of the river.

October 19, 1930: The body of Charles J. Phayer, East Side gambler and resort owner was found in the weeds on a lonely road near Edwardsville. He had 10 bullet wounds in his body. Phayer had been a suspect in the attempted assassination of Clyde Garrison, Peoria, Ill., gambling czar, 2 days before. Mrs. Garrison was killed in the attack and Garrison was wounded seriously. Phayer was a former partner of the late Ray Stevenson in a Brooklyn gambling house. Stevenson's widow, Carrie, was married to Bernie Shelton for a while. Phayer in December 1928 was arrested for complicity in the \$250,000 robbery of the Broadmoor Country Club near Indianapolis, Ind.

November 7, 1930: James (Wingy) Cox, Cuckoo gangster, was wounded in a machine-gun attack at Henrietta Street and Longfellow Boulevard in St. Louis. A machine gun found later in the home of Lester Barth, a notorious gunman was used in the attack.

November 22, 1930: Lester Barth and Dewey Goebel, notorious gunmen and extortionists known in gangland as "Me and You" were murdered by machine gunners who trapped them at Columbia and Macklind Avenues in St. Louis. They had had an appointment to meet a Sicilian bootlegger on "The Hill" after making an extortion demand on him. Their assassins used sirens to clear the way after the murders. Hundreds of shots were fired from three machine guns.

December 16, 1930: Joseph Wojewodka, known also as "Scarface Joe" Woods, was killed by men who fired through a window of his saloon at 1310 Chambers Street, hitting him six times. In 15 years he had been arrested more than 50 times on charges ranging from misdemeanors to suspected of murder. He had been involved in a bombing, a jewelry hold-up, and had been questioned about the murder of two watchmen on the McKinley Bridge.

December 19, 1930: Louis (Always Broke) Mulconry, gang enemy of Goebel and Barth, was killed in a short-range gun duel with three gangsters at Weber Road and the Missouri Pacific tracks in St. Louis County. He had switched from the Cuckoo gang to the Sheltons and his murder was believed to be an aftermath of the Valmeyer shooting. One of his killers was believed to be "Wingy" Cox. Mulconry's friends showed up in an automobile and routed his attackers, but Mulconry already was dead.

January 7, 1931: Bullet-riddled bodies of Leo Orlando, Cuckoo gangster, and Isadore Katz, Cuckoo hanger-on, were found on the Old Jamestown Road, near Blackjack, in St. Louis County. They were believed to have been killed in the feud resulting from the Valmeyer shooting.

February 10, 1931: Mrs. Bessie Lyman and Mrs. Dorothy Evans, convicted shoplifters, and William Goebel, brother of the late Dewey Goebel, were killed by three gunmen who invaded a saloon at 1508 North Taylor Avenue, St. Louis. William Goebel, gunman and extortionist, had threatened retaliation for his brother's murder. Seven other persons were in the saloon at the time, including another Goebel brother, Harry.

February 2, 1931: The bodies of David Hoffman, East St. Louis pawnshop owner; Joseph P. Carroll, former policeman, gambler, and an incorporator with Bernie Shelton of the Red Top Taxicab Co., of St. Louis, and Theodore Kamanski, former bus driver and frequenter of gambling joints, were found in a ditch near Granite City, Ill. They had been killed in Ralph (Wide-Open) Smith's gambling flat and speakeasy at 330a East Broadway, East St. Louis. Porters were cleaning up the last of the blood when deputy sheriffs broke into the place and bullets had been removed from the walls. In the resulting investigation police raided the resort of Dale Stamper, now an ally of Frank (Buster) Worthman, at Thirty-ninth and Lake Drive. Carl Shelton and Tommie Hayes were questioned and job was believed to have been executed by Bernie Shelton.

May 8, 1931: The body of Carmelo Fresina leader of the "Pillow gang," extortionist and bootlegger, was found in his automobile near Edwardsville. He was shot twice in the head after having survived during a gang war in which 25 of his friends and enemies were killed. He had just lost an appeal from a 6-year conviction for assault in firing a shotgun at prohibition agents.

August 30, 1931: William J. Fleming, bootlegger, was killed and his partner, William J. Shannon, Jr., was wounded by gunmen using a pistol, machine gun, and shotgun, at Bayless Avenue near the Missouri Pacific tracks, St. Louis County, near the scene of the Mulconry shooting. Fleming and Shannon had been warned to "stay out of the south part of the county."

December 28, 1931: Charles Dawson, a gambler who moved from St. Louis in the 1920's was murdered in downtown Springfield, Ill., following an invasion of the Illinois capital by St. Louis Italian mobsters headed by Vito Impastato and the late Frank Agruso of the notorious Green gang. Hogan gangsters also were invading Springfield at this time.

March 24, 1932: Joseph Colone, former Madison County deputy sheriff, ex-Collinsville policeman and a handbook operator, and a companion, Charles Bowers, a bootlegger, were murdered by machine gunners at the northern edge of St. Clair County, Ill. Joe was the brother of Louis Colone, then and now a prominent Madison County politician and gambler. Investigators believed Colone had been dealing with a Chicago liquor mob which had been "muscling" in on part of the St. Louis territory.

April 15, 1932: Tommie Hayes, was murdered by machine gunners near Granite City a few minutes after his bodyguards, "Pretty Boy" Lechler and Conrad "Willie G" Wilbert, East St. Louis gangsters, were killed in Madison. Believed executed by the Sheltons.

May 11, 1932: Many shots were exchanged between two racing automobiles in the 100 block of St. Clair Avenue, East St. Louis. Later it was learned that Bernie Shelton and Jack Britt, a Shelton gangster, were recovering from wounds suffered in the affray. Shelton was reported to have been hit six times.

July 17, 1932: Floyd E. Miller, ex-convict allied with a "new" Cuckoo faction was shot seven times and killed on Christopher Road in the southeast corner of St. Louis County. Police thought he was killed for attempting to break into an established alcohol trade area.

August 10, 1932: Following bombings and assaults on Phillips Petroleum property and personnel, the Shelton gang was hired to guard Phillips property. Carl Shelton also tried to "muscle" into East St. Louis boilermakers union, which was causing the trouble. Oliver Alden Moore, union business agent and president of the East St. Louis Central Trades and Labor Union, was hit 27 times with machine gun slugs fired from a passing automobile as he stood in front of union headquarters at 506 St. Louis Avenue, East St. Louis. Two members of the boilermakers were wounded. Moore had told a reporter 45 minutes before the shooting that Shelton had offered him \$30,000 to step aside and then had threatened to kill him when he refused. Among suspects arrested were William (Bad-eye) Smith, Monroe (Blackie) Armes, and Ray Dougherty, Armes' cousin.

November 2, 1932: The body of Homer DeHaven, one of Tommie Hayes' chief lieutenants, was found near Horseshoe Lake in Madison County. He was believed to have been murdered in late June or early July by Hayes' killers.

January 25, 1933: The body of John Buhlinger, petty member of a St. Louis Jefferson County liquor gang, was found in a field near Mackenzie Road and Heege Avenue, St. Louis County. He had prophesied his death by shooting and had been shot nine times.

June 27, 1933: Dan Maddalino, proprietor of a tavern at Collinsville Park, was shot and killed by Louis Colone, former Collinsville policeman, in Maddalino's bar. George Kuelks, State policeman, was present. The shooting followed by a half hour the machine gunning of Colone's bar in which James Colone, a brother, was wounded. Maddalino's brother was murdered in 1928 and Colone's brother Joe later.

September 10, 1933: James (Wingy) Cox, the one-armed Cuckoo gangster, was killed in a drunken brawl in a saloon at 800 Park Avenue, St. Louis. He refused to name his assailant before he died. Cox had been seen in attack on "Always Broke" Mulconry December 19, 1930 when latter was killed.

September 20, 1933: Leo Burke, Cuckoo associate, was shot and wounded seriously by three men in a car at Seventeenth Street and Chouteau Avenue, St. Louis. He formerly owned the bar in which Cox was killed.

January 21, 1934: Submachine gun used in Valmeyer, Ill., killing found in an automobile in which Joseph Tatman, ex-convict, was riding at Broadway and Wisconsin Street, St. Louis.

May 12, 1934: John C. Johnson, Negro farmer, was murdered by a machine gunner at the home of Harry Newbold, deputy sheriff, at Nuroad, St. Louis County. He was the chief State's witness in the kidnaping of Dr. Isaac D. Kelley and had named Angelo Rosegrant, Bart Davis, and Felix McDonald as the other kidnapers. They were sentenced later.

October 26, 1936: George J. Appleton, ex-convict and occasional employee of a strike-breaking agency, was found shot to death near Florissant, St. Louis County. He was lying beside a steel tower supporting high-tension wires of the Union Electric Co., shot four times in the head. A dynamite bomb was found beside him but he had no matches in his pockets. The body was found following a mysterious call directing deputy sheriffs to the spot. "Go there and find the man who has been blowing up power lines," the caller said.

July 14, 1937: John J. Dunn, twice-convicted murderer and bouncer at Vincent "Vic" Doyle's Ringside Gambling establishment, 313 Missouri Avenue, East St. Louis, was killed with shotgun blasts as he entered his apartment at 758 Goodfellow Avenue, St. Louis. His killing resulted in police investigation of gangsters entering the labor field. Dunn held a card in the miscellaneous hotel workers union.

March 5, 1938: Leo W. (Little Caesar) Quick, business agent of the East St. Louis boilermakers union, was killed by two men who shot him five times in the back yard of his East St. Louis home. Quick was a hard-boiled labor leader who had slugged many men. He succeeded Oliver Alden Moore, murdered in 1932, as business agent of the boilermakers.

June 28, 1938: Thomas Cox, younger brother of Cuckoo gangster "Wingie" Cox, was shot and killed at Eighth Street and Chouteau Avenue, St. Louis, by men

riding in a dark coupe. An extortionist, he had threatened to "get" his brother's killers.

September 19, 1938: Arthur (Two-Gun Artie) Schading, belligerent business agent of the AFL Electrical Workers Local No. 1, was shot and killed as he left the union hall at Boyle and Gibson Avenues, St. Louis. The shooting was thought to have resulted from his efforts to organize the electrical phonograph business which was being "muscled" into by gangsters. Once suspended by his own union for dishonorable conduct, Schading was competing with the teamsters' union in organizing the phonograph business. Among suspects questioned was Herman Tipton, operator of Lemay Distributing Co., who was reported to be financed by Bev Brown and Gully Owen.

June 25, 1951: Charles L. (Cutie) Bailey, race-track tout and ex-convict was found shot on United States Highway 66, 2 miles west of Sylvan Beach, St. Louis County. He was dead on arrival at county hospital. He had been seen at Fairmount Race Track with David (Chippy) Robinson, Egan ganster. Bailey had on his person an identification card issued in 1937 by the collector of internal revenue in St. Louis to Frank M. Schutter. Schutter, an assistant cashier in the collector's office, was serving 2 years for embezzling \$6,246. Deputy marshals reported that Bailey answered the door when they served a warrant on Schutter at the latter's home. An automobile belonging to Eganite Thomas Whalen, believed to have been used in the killing, was found later burning in a field. Whalen at that time was associated with William P. (Dinty) Colbeck, Chippy Robinson, and Steve Ryan in operation of the Grand Novelty Co., pinball distributors, 2848 North Grand Boulevard, St. Louis.

February 17, 1943: William P. (Dinty) Colbeck, former Egan gang leader, was machine gunned to death in his automobile at Ninth and Destrehan Streets, St. Louis, shortly after he had driven across the McKinley Bridge. He was reported in the pinball and slot-machine business and apparently was trying to "muscle" into East Side gambling. Monroe (Blackie) Armes, Harley Grizzell, and Norman Farr were sought for questioning.

December 7, 1943: Harley Grizzell and Norman Farr, top-notch burglars who had been associated with the Sheltons, were machine gunned to death on Illinois Highway 157 near Caseyville. The shooting was believed to be an outgrowth of a split from the Shelton gang, led by Frank (Buster) Wortman and Charles (Black Charlie) Harris. Monroe (Blackie) Armes, who sided with Wortman and Harris, surrendered after the shooting for questioning. Police also sought Wynceil Urban, Cuckoo gangster and bank robber, as a suspect.

March 3, 1944: Timothy R. (Ted) Cronin, boss of the AFL Service Car Drivers Union, was wounded four times by two men in an automobile on Watson Road, St. Louis County. Police had been tipped the week before that he was a "clay pigeon." Rivalry in the pinball business was blamed. "Blackie" Armes and Lawrence Callanan, boss of the steamfitters union, were questioned. These two men also had been questioned in the Colbeck killing.

Sometime in 1944: Ray Walker, who resisted "Buster" Wortman's efforts to get him to quit the Sheltons, was shot and wounded by two men riding in a car in Herrin, Ill. Walker named "Blackie" Armes and Wortman as the gunmen.

September 29, 1944: A man was killed at Club Royal, gambling casino, on Illinois Highway 13 near Belleville. The victim was believed to be Patrick Hogan, race-track tout, who was suspected in the killings of Farr, Grizzell, and Bailey. Word got around later that the body had been disposed of in an abandoned mine pit in southern Illinois. Club Royal, which was owned by a group of men including gambler Tom Barry and ex-St. Clair County Sheriff Henry L. Siekmann, had become the headquarters of Wortman, Steve Ryan, "Chippy" Robinson, and "Blackie" Armes. A man named "Buster" was seated at the table where Hogan was shot. Wortman, formerly a Shelton hanger-on, had been out of Alcatraz since 1941. He had been sent up for assaulting a prohibition agent.

December 13, 1944: Monroe (Blackie) Armes, now a Wortman lieutenant, was shot and killed by Thomas Propes, a cousin of Ray Walker, in Propes' saloon at Herrin, Ill. Propes, a war veteran, then was killed by friends and relatives of Armes. Reports were current that Armes, Wortman, Ryan, Robinson, and Frank (Cotton) Eppelheimer, were "muscling" into southern Illinois gambling activity. This was Shelton territory.

December 30, 1944: Timothy (Ted) Cronin, boss of the AFL Service Car Drivers Union, and his bodyguard, William (Bozo) Remphry, ex-convict, were wounded. Three men riding in an automobile fired nine shots into Cronin's car

as it was parked in front of his home at 6201 Itasca Street, St. Louis. There was a report that Cronin was being "shaken down" by Wortman and associates. Following the first attempt March 3, 1944, on Cronin's life, police arrested Ryan and Robinson at the Brazil Club, a walk-up night club at 4916a Delmar Boulevard. At the time they were in conference with Thomas Fagan and Louis Casper (Red) Smith, gangsters.

By February 1945 the territory of the new gang, headed by Frank (Buster) Wortman and Elmer Dowling, extended from Peoria, Ill., on the north, to Evansville, Ind., on the east, to Paducah, Ky., on the south. The late Patrick Hogan had led an invasion of White County, Ill., near the Indiana border. It was also learned that Sheriff John F. Dougherty, of St. Louis, was a part owner of the Hyde Park Club in Venice, Ill., a gambling casino.

March 16, 1945: The body of Wynceil Urban, gunman and safecracker, was found in a ditch near Kankakee, Ill. He had been strangled, his lips taped and his body bound in baling wire. Urban, a "muscle man" for the new Wortman gang, had been sought as the "brains" of the looting of \$2,500,000 in bonds and cash from the vaults of the E. H. Rumbold Real Estate Co., January 20, 1945. Urban was at liberty on an appeal bond from an 8- to 15-year sentence for a \$700 hold-up which he committed with William J. Roche, ex-St. Louis deputy sheriff and croupier at the Hyde Park Club. Urban had even "muscled" into Cicero, Ill., gambling.

July 16, 1945: Miss Kathryn Morrison, former waitress for the notorious Bess Newman, was killed with a shotgun as she sat in a tavern at Madison, Ill. It was the same tavern in which Joseph Callahan, ironworker and Wortman gang hanger-on, had been wounded the week before. Miss Morrison was in Club Royal the night Hogan was believed to have been killed there.

October 28, 1945: The bodies of George Tyson, East St. Louis ironworker, and Miss Ethel Sparks, Madison waitress, were found in a shallow grave near Rockport, Ind. Both had been shot, and she had been strangled and stabbed. Tyson was being sought for questioning in the shooting of Callahan, associate, and the killing of Miss Morrison. The deaths of Tyson and Miss Sparks were linked to the Patrick Hogan killing, the narcotics trade and a series of bank robberies and other crimes in rural Missouri, Illinois, and Indiana.

November 22, 1945: Howard W. Akers, ex-convict bartender, and Fabian T. DeClue, entertainer, were found dead in a parked automobile at Dorsett Road near McKelvey Road, in St. Louis County. They were shotgun victims. Police said they were associated with Harvey Miller, Richard Hannon, and Lon Florence, former convicts, in disposing of juke boxes and slot machines stolen from Illinois and Missouri taverns.

January 4, 1946: Lawrence W. Dreher, tough leader of a robber gang, was cornered and shot to death by two men, carrying a shotgun and a pistol, at Sarah Street and West Pine Boulevard, St. Louis. He was a burglar, safecracker, and former associate of the late Herman Tipton, Cuckoo gang leader. The late Frank (Cotton) Eppelsheimer and Dreher's pal, Joseph Burnett, were named as his killers. Dreher reportedly had killed some of his associates and was a Wortman associate.

January 7, 1946: Robert J. Carroll, brother-in-law of Arthur Berne, one of Dreher's chief gang lieutenants, was fatally wounded in a shotgun and pistol attack at the door of his flat, 1734a North Leffingwell Avenue.

February 20, 1946: Frank Kraemer, tavern owner aligned with the Shelton gang at Peoria, Ill., was killed by machine gunners as he sat on the porch of his Farmington Road home.

September 20, 1946: Joel Nyberg, Shelton strong-arm man, was killed by gunmen at Peoria, Ill.

October 25, 1946: Philip Stumpf, Shelton slot-machine associate, was killed by slugs from a .351 caliber rifle on a highway near Peoria, Ill.

April 24, 1947: The body of Ray Dougherty, Herrin, Ill., gangster cousin of the Armes brothers, was found beside Crab Orchard Lake near Carbondale, Ill. He had been shot three times and then driven to the site. He had been arrested for questioning in the 1932 killing of Oliver Alden Moore by the Sheltons, and was a suspect in the killing of Thomas Probes, Ray Walker's cousin, in 1944.

October 23, 1947: Carl Shelton, leader of the Shelton gang, was slain by pistol shots fired by five or six men riding in an automobile on a country road near Fairfield, Ill. Ray Walker and "Little Earl" Shelton named "Black Charlie" Harris and Roy (Tony) Armes as two of the assailants. Harris had been a cell mate of Wortman's at Alcatraz.

July 26, 1948: Bernie Shelton, Carl's younger brother, was killed near his Parkway tavern on the Farmington Road, near Peoria, Ill. A rifleman using a .351-caliber weapon fired from ambush. At that time Ray Walker and "Big Earl" Shelton were reported marked for murder.

August 9, 1948: Leonard Giordano, table man at the Pad, Springfield, Ill., roadhouse, was found shot to death. It was linked to the Shelton killings.

October 2, 1948: James V. Moncado, gambler associate, was shot to death at Eighteenth Street and Washington Boulevard. He had been questioned in the Giordano killing at Springfield, Ill., and had been walking with four men shortly before he was shot. His brother, Salvatore Moncado, had been murdered some time before by a taxicab driver.

May 24, 1949: "Big Earl" Shelton was shot and wounded by a gunman who fired through the window of the Farmers Club, a gambling joint operated by the Sheltons in Fairfield, Ill.

September 9, 1949: "Little Earl" Shelton was shot eight times and wounded in front of his Fairfield, Ill., home.

April 6, 1950: Charles Binaggio, Kansas City (Mo.) Democratic boss and Capone syndicate representative, and his bodyguard, gangster Charles Gargotta, were shot to death in the First Ward Democratic Headquarters in Kansas City. Binaggio who had supported Gov. Forrest Smith, was reported assassinated because he failed to deliver Missouri to the gamblers.

May 22, 1950: "Big Earl" Shelton was wounded in the arm while he and "Little Earl" were riding on the Shelton farm near Fairfield, Ill.

June 5, 1950: "Little Earl" Shelton was shot at by gunmen, who seriously wounded his friend, Dellos Wylie, at Fairfield, Ill.

June 7, 1950: Roy Shelton, oldest of five Shelton brothers, was killed by rifle fire while driving a tractor on "Big Earl's" farm.

September 18, 1950: Leo V. Brothers, gangster and ex-convict, was wounded by a man who fired four shots through the rear screen door of his home at 24 Green Acres, Baden Station, St. Louis County. Secretary-treasurer of the Ace Service Co., which supplies gasoline to the gangster-operated Ace Cab Co., Brothers had "resigned" from the cab outfit in 1946. He was an associate of Roy (Tony) Armes in the cab operation and had been questioned by an investigator of the Kefauver committee.

September 24, 1950: Roy (Tony) Armes, trouble shooter for the Capone syndicate and one of Wortman's top lieutenants, was killed by rifle fire in front of Russo's tavern near Herrin, Ill. There were reports that Armes was "shaking down" Herrin taverns, and a number of tavern bombings followed his death.

Following Frank Wortman's release from Alcatraz in the early 1940's, he again became associated with his former pals, the Sheltons. He and Blackie Armes, however, are stated to have been peeved because of the small automobiles given them, and later Wortman turned against the Sheltons and, together with the Armes brothers, joined the ranks of the St. Louis Eganites.

The local controlling gang today consists of the core of the surviving members of the Egan gang, some former Sheltonites, and a few former Cuckoo gangsters. The extermination of the Sheltons has left this one group in the control that the Sheltons formerly enjoyed in this area.

The newly formed group in gang control operate both legitimate and illegitimate businesses. Among their legitimate enterprises are the operation of a truck line, coin-operated amusement-machine businesses, a loan agency, a string of race horses, taverns, restaurants, and night clubs, and the like. Their known illegitimate activities include handbook operations, gambling casinos, and number rackets.

The pattern of gang murder from 1920 to 1930 was confined largely to the control of the illicit liquor business, and gambling, while important, was a secondary consideration. In the 1930's the killing and intimidation of labor leaders caused the murder pattern to change as the various mobs "muscled" into labor-union organizations. The influence of gangsters and ex-convicts in labor organizations is still apparent today in many branches of organized labor in this area.

Shortly after 1940 the pattern of murders changed and it became obvious to law-enforcement officials that the murders from then on constituted a studied plan of assassinations to control all large-scale commercial gambling and vice from a line from Peoria south and even across the Ohio River and also in the St. Louis area.

## EXHIBIT NO. 52

## DEPARTMENT OF POLICE, CITY OF ST. LOUIS

FEBRUARY 24, 1951.

District: S. S. D.

Subject: Police record of Frank Wortman alias "Buster" Wortman.

January 17, 1926: St. Louis, Mo., No. 22901; arrested, St. Louis, Mo.; investigation, Dyer Act; released, January 19, 1926.

January 27, 1926: St. Louis, Mo., No. 22901; arrested, St. Louis, Mo.; petit larceny, dismissed in court for want of prosecution in C. C. C. No. 1.

St. Louis, Mo.; No. 22901; arrested October 16, 1927; suspected of violation of Volstead Act; October 17, 1929, discharged in Federal court.

St. Louis, Mo.: No. 22901; arrested April 7, 1933; charge carrying concealed weapons and fugitive from Union, Mo., on charge of robbery. Not wanted at Union, Mo., and local warrant on concealed weapons was withdrawn on account of insufficient evidence, April 17, 1933.

St. Louis, Mo., arrested December 16, 1933; charge carrying concealed weapons; warrant issued April 9, 1933; discharged in court.

Arrested December 21, 1938, United States Marshal, St. Louis, Mo.; charge, assault on Government officer; released on bond January 3, 1934.

Arrested April 14, 1934, by sheriff, Belleville, Ill.; mutilating numbers on firearms; dismissed; released to Government officers.

Arrested at Springfield, Ill., June 23, 1934, No. 5936; assault, Federal agent; sentenced to 10 years, United States Penitentiary, Leavenworth, Kans.

Received, United States Penitentiary, Leavenworth, Kans., No. 45268, July 7, 1934, to serve 10 years on charge of resisting United States officer.

Arrested, police department, East St. Louis, Ill., December 30, 1942, on charge of investigation; released.

St. Louis, Mo., No. 22901, arrested March 8, 1944; investigated, released.

St. Louis, Mo., No. 22901, arrested March 14, 1945; investigated, released.

Cpl. CLAUDE LEWIS,  
*Identification Bureau.*

## DEPARTMENT OF POLICE, CITY OF ST. LOUIS

## BUREAU OF RECORDS

FEBRUARY 24, 1951.

The following record appears in the files of this bureau one one Frank Wortman:

Arrested February 4, 1946, age 41; investigation; fugitive. Released.

Arrested March 15, 1945, age 40; hold for OPA. Released.

Arrested March 14, 1945, age 40; robbery. Released.

Arrested July 20, 1944, age 39; investigation and speeding. Fined \$7 and costs.

Arrested March 8, 1944, age 39; investigation. Released.

Arrested April 15, 1943, age 38; speeding. Fined \$5 and costs.

Arrested September 22, 1942, age 37; investigation. Released.

Arrested December 19, 1933, age 29; hold for United States Bureau of Investigation. Delivered.

Arrested December 16, 1933, age 29; suspected of robbery. Warrant issued.

Arrested April 7, 1933, age 28; suspected of robbery and carrying concealed weapons. Warrant issued.

Arrested December 16, 1930, age 35; vagrancy. Bailed.

Arrested December 16, 1930, age 26; suspected of larceny. Released.

Arrested December 13, 1930, age 26; suspected of robbery. Released.

Arrested November 21, 1930, age 25; suspected of robbery. Released.

Arrested September 21, 1930, age 26; suspected of robbery. Released.

Arrested July 30, 1930, age 25; investigation. Released.

Arrested July 29, 1930, age 25; investigation. Released.

Arrested July 29, 1930, age 25; suspected of robbery. Released.

Arrested May 21, 1929, age 24; suspected of robbery. Released.

Arrested March 14, 1929, age 24; suspected of robbery. Released.

Arrested March 13, 1929, age 24; suspected of robbery. Released.

Arrested March 12, 1929, age 24; suspected of robbery. Released.

Arrested March 11, 1929, age 24; suspected of robbery. Released.

Arrested March 9, 1929, age 24; suspected of robbery. Released.  
Arrested March 7, 1929, age 23; suspected of robbery. Released.  
Arrested February 27, 1929, age 24; suspected of robbery. Released.  
Arrested February 26, 1929, age 24; suspected of robbery. Released.  
Arrested February 25, 1929, age 24; investigation. Released.  
Arrested September 4, 1928, age 23; suspected of robbery. Released.  
Arrested February 6, 1928, age 23; no boulevard stop. Fined costs.  
Arrested October 16, 1927, age 22; transporting liquor. Delivered.  
Arrested September 7, 1927, age 22; suspected of robbery. Released.  
Arrested January 17, 1926, age 21; suspected of auto theft. Released.  
December 29, 1943: An inquiry from the Illinois State Patrol for record check.  
April 8, 1939: An inquiry relative to subject being wanted by FBI at Evansville, Ind.

Respectfully,

Lt. ANDREW T. AYLWARD,  
*In Charge, Bureau of Records.*

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EXHIBIT No. 54

BUREAU OF CRIMINAL IDENTIFICATION, METROPOLITAN POLICE DEPARTMENT,  
ST. LOUIS, MO.

The following is the criminal record of Louis Casper Smith, alias Red Smith, alias Charles Smith, alias Louis Smith, our No. 58440.

February 2, 1912: Arrested, charged with forgery in the fourth degree (two charges). On March 4, 1912, in city court No. 10. Sentenced to 6 months on each charge—a total of 1 year.

March 6, 1915: Arrested, charged with grand larceny. Sentenced to 2 years in the Missouri State Penitentiary.

July 30, 1915: Arrested, charged with larceny. Fined \$41.

February 20, 1917: Arrested, charged with being an inmate bawdy house. Discharged.

May 2, 1917: Arrested, charged with idling. Fined \$25 in city court No. 2.

September 6, 1917: Arrested, charged with burglary in second degree. Six months in workhouse.

July 29, 1919: Arrested, charged with suspected grand larceny. Released.

March 11, 1919: Arrested, charged with fugitive from St. Louis County; robbery. Delivered to St. Louis County, Mo., authorities.

April 26, 1929: Arrested, charged with suspect interstate theft. Released.

May 8, 1919: Arrested, suspect robbery. Released.

June 12, 1919: Arrested, suspect robbery. Released.

July 20, 1919: Arrested, charged with suspect grand larceny. Released.

August 26, 1919: Arrested, charged with suspect robbery. Released.

October 24, 1919: Arrested, charged with violating the Mann Act. Fined \$20 in city court No. 1.

November 4, 1919: Arrested, charged with suspect violation of the Harrison Drug Act. Released.

November 21, 1919: Arrested: charged with suspect robbery. Released.

December 10, 1919: Arrested, charged with suspect robbery. Released.

December 13, 1919: Arrested, suspect burglary. Fined \$50.

January 17, 1920: Arrested, suspect robbery. Released.

April 29, 1920: Arrested, suspected robbery. Released.

February 8, 1921: Arrested, suspect robbery. Released.

September 12, 1921: Arrested, suspect robbery. Released.

November 21, 1921: Arrested, charged with grand larceny. Released, no prosecution.

June 14, 1921: Arrested, suspect robbery. Released.

January 10, 1922: Arrested, suspect robbery. Released.

February 2, 1922: Arrested, suspect robbery. Released.

February 4, 1922: Arrested, charged with violation of Dyer Act. Delivered to United States marshal; no further disposition.

March 28, 1922: Arrested, charged with carrying concealed weapon. Dismissed.

May 4, 1922: Arrested, charged with being a fugitive from St. Louis County, Mo., on charge of murder. Delivered to St. Louis County, Mo., authorities.

May 26, 1922: Arrested, charged with carrying concealed weapon. Discharged.  
 June 16, 1922: Arrested, charged with carrying concealed weapon. Warrant refused.

The following is the criminal record of Louis Casper Smith, alias Red Smith alias Charles Smith, alias Louis Smith, our No. 58440.

August 1, 1922: Arrested, charged with carrying concealed weapon. Warrant refused.

August 11, 1922: Arrested, charged with carrying concealed weapon. Warrant refused.

August 18, 1922: Arrested, suspect robbery. Released.

August 19, 1922: Arrested, suspect robbery. Released.

August 28, 1922: Arrested, suspect robbery. Released.

September 1, 1922: Arrested, carrying concealed weapon. Warrant refused.

December 23, 1922: Arrested, suspect burglary. Released.

February 23, 1923: Arrested, suspect murder. Discharged on bond.

March 1, 1923: Arrested, suspect murder. Bailed.

April 19, 1923: Arrested, held for Government authorities. Released.

April 26, 1923: Arrested, suspect robbery. Released.

June 18, 1923: Arrested, suspect robbery. Released.

July 4, 1923: Arrested, carrying concealed weapon. Fined \$100.

July 9, 1923: Arrested, carrying concealed weapon. Warrant refused.

April 10, 1924: Arrested, mail robbery.

November 6, 1924: United States district court, eastern division, St. Louis, Mo., Judge Fairs, charge, mail robbery. Jury failed to agree and was discharged. New trial set for January 13, 1925.

November 15, 1924: United States district court, Quincy, Ill., Judge Fitzhenry; charge, mail robbery, \$55,000; committed at Staunton, Ill., May 26, 1923; convicted, sentenced to 25 years in United States penitentiary, Leavenworth, Kans. Received at penitentiary, Leavenworth, Kans., on November 16, 1924.

January 17, 1925: United States district court, St. Louis, Mo., Judge Faris; convicted on three counts possession and concealment of stolen bonds from the mails. Sentenced to 5 years on each count, 15 years in all, in United States penitentiary, Leavenworth, Kans.

March 15, 1944: Arrested, suspected robbery. Released.

August 7, 1944: Arrested in East St. Louis, Ill., violation of section 885. Fined \$200.

November 17, 1947: Arrested, charged with investigation. Released.

April 8, 1950: Arrested, charged with investigation. Released.

#### EXHIBIT NO. 55

BUREAU OF CRIMINAL IDENTIFICATION, METROPOLITAN POLICE DEPARTMENT,  
 ST. LOUIS, MO.

The following is the criminal record of Elmer Sylvester Dowling, alias Elmer J. Dowling, alias Dutch, our number 20324.

March 3, 1924: Arrested, charged with carrying concealed weapon. On March 14, 1924, this case was referred to the juvenile court and on March 18, 1924, subject was sentenced to 2 years in the Missouri State Reformatory and paroled from the bench.

June 3, 1938: Arrested in Clayton, Mo., on charge of suspected of bombing and racketeering. Released.

January 13, 1940: Arrested, charged with being a fugitive from St. Louis County, Mo., where subject was under indictment for assault to kill. Turned over to St. Louis County, Mo., authorities. On March 8, 1940, in County Circuit Court No. 1, at Clayton, Mo., Judge Julius Nolte presiding, charged with assault to kill; trial, verdict finding defendant guilty of assault with intent to kill, with malice aforethought, and was sentenced to 30 years in the Missouri State penitentiary.

October 9, 1941: County Circuit Court No. 2, at Clayton, Mo., Judge John A. Withaus, presiding (above case); mandate of Missouri Supreme Court with copy of opinion attached reversing judgment and remanding cause filed, and subjects bond was fixed by the court at the sum of \$60,000.

May 21, 1942: County Circuit Court No. 2, at Clayton, Mo., Judge John A. Withaus: charged with assault to kill; trial, verdict, not guilty; defendant discharged.

Subject has been arrested 37 other times for investigation and traffic violations.

## DEPARTMENT OF POLICE, CITY OF ST. LOUIS

## OFFICE OF CHIEF OF DETECTIVES

The following is the criminal record of Frank Eppelsheimer, alias "Cotton" Eppelsheimer. Bureau of Criminal Identification, No. 17897.

January 27, 1918: Charge: Suspected larceny, by Officer Roland, fifth district. Arrested with Mamie Lynch, Anna Walsh, William Morris, Arthur Erve, William Vante, William Schenider, John Kniemeier, and Ross Holcomb. Disposition: Released.

March 31, 1919: Charge: Rape. Disposition: June 9, 1920, Circuit Court No. 11, nolle prossed.

July 5, 1920: Charge: Grand larceny, by Officer Ruel, mounted district. Arrested with Harry Elmore, John Morris, Jessie Newsham, Oliver Niehaus, Harry Jackson, and Lawrence Kinney. Disposition: Warrant refused.

October 24, 1920: Charge: Suspected burglary, by Officer Brennan, fifth district. Disposition: Released.

December 2, 1920: Charge: Suspected robbery, by Detective Sergeant Lemkemeier. Disposition: Released.

December 31, 1920: Charge: Disturbing peace, by Officer Kermicle, fifth district. Disposition: Released.

May 18, 1921: Charge: Suspected larceny, by Sergeant Moynihan, fifth district. Arrested with Leo Gieseke. Disposition: Released.

May 21, 1921: Charge: Suspected robbery, by Detective Hodan. Arrested with Walter Dunn, Edward Linehan. Disposition: Released.

May 28, 1921: Charge: Suspected robbery, by Detective Sergeant Agee. Arrested with Walter Dunn, Leo Gieseke, Edward Linehan, Charles Newsham, Herman Yaffe. Disposition: Released.

June 17, 1921: Charge: suspected robbery, by Lieutenant McNamara, fifth district. Disposition: Released.

July 20, 1921: Charge: Suspected robbery, by Detective Shannon. Arrested with Theodore Stern and Edward Eppelsheimer. Disposition: Released.

July 26, 1921: Charge: Robbery, by Lieutenant Moran, fifth district. Arrested with Jesse Newsham. Disposition: May 5, 1922, Circuit Court No. 11, acquitted by jury and discharged.

February 21, 1922: Charge: Suspected larceny, by Sergeant Burke, sixth district. Arrested with John Monte Wade. Disposition: Released.

March 7, 1922: Charge: Suspected robbery, by Sergeant Vasey. Arrested with Charles Engler. Disposition: Released.

April 15, 1922: Charge: Suspected robbery, by Detective Kincer. Arrested with Edward Lineham. Disposition: Released.

May 2, 1922: Charge: Suspected robbery, by Detective Sergeant Ising. Arrested with Robert Gieseke, Ben Tessner, Jess Newsham. Disposition: Released.

May 16, 1922: Charge: Suspected robbery, by Detective Sergeant Sheller. Arrested with Edward McGrath. Disposition: Released.

June 5, 1922: Charge: Suspected robbery, by Detective Shannon. Arrested with Edward Lineham, Theodore Lange, Joseph Feigenbutz. Disposition: Released.

June 17, 1922: Charge: Suspected robbery, by Detective Sergeant Lemkemeier. Disposition: Released.

August 18, 1922: Charge: Suspected robbery, by Detective Sergeant Carroll. Arrested with John Lennon, Angelo Timponi, Lawrence Gettys, Patrick Scanlon. Disposition: Released.

August 31, 1922: Charge: Suspected robbery, by Detective Sergeant McLaughlin. Arrested with Robert Gieseke, Leo Casey, Edward Lanthan, Harry Greenberg. Disposition: Released.

September 11, 1922: Charge: Suspected robbery, by Detective Sergeant Hegeman. Arrested with Edward Linehan. Disposition: Released.

September 12, 1922: Charge: Suspected robbery, by Detective Sergeant Langan. Disposition: Released.

September 13, 1922: Charge: Suspected robbery, by Detective Schmidt. Arrested with Tess Gallagher. Disposition: Released.

September 19, 1922: Charge: Assault to kill, by Detective Sergeant Kaiser. Arrested with Robert Gieseke. Disposition: December 17, 1923, Circuit Court No. 12, nolle prossed.

October 13, 1922: Charge: Suspected robbery, by Detective Sergeant Reinwald. Arrested with Alexander Lukowsky, Edward Linehan. Disposition: Released.

October 29, 1922: Charge: Suspected robbery, by Detective Sergeant Finan. Arrested with Stephan Ryan. Disposition: Released.

November 3, 1922: Charge: Suspected robbery, by Detective Sergeant Ising. Arrested with Robert Gieseke. Disposition: Released.

November 6, 1922: Charge: Suspected of robbery, by Detective Sergeant Sullivan. Arrested with Joseph Sheehan. Disposition: Released.

November 12, 1922: Charge: Assault with intent to kill (after an altercation, fired a shot at a man and woman), by Sergeant Verheyen, sixth district. Disposition: November 16, 1922: C. C. C. No. 1, discharged on his bond.

November 15, 1922: Suspected murder, by Detective Sergeant Archey. Arrested with Robert Gieseke. Disposition: Released.

December 3, 1922: Charge: Suspected robbery, by Sergeant Verheyen, sixth district. Arrested with Ray Clark, John Clark, Edward Linehan, John Kramer, Eugene Robins. Disposition: Released.

January 1, 1923: Charge: Burglary, second degree, warrant issued (safe burglary), by P. Gierse, sixth district. Disposition: October 4, 1923, Circuit Court No. 12, mistrial; April 8, 1924, Circuit Court No. 12, continued generally.

January 9, 1923: Charge: Suspected robbery, by Detective Sergeant Murphy. Arrested with Leo Casey and Edward Linehan. Disposition: Released.

April 12, 1923: Charge: Suspected robbery, by Detective Hodan. Arrested with Ray Rennard. (Revolver found in car in which they were riding. A concealed weapon warrant issued against Rennard, and Eppelsheimer was released.)

June 16, 1923: Charge: Suspected payroll robbery, by Lieutenant Kaiser. Arrested with George Jaegar, Stephen Ryan, Ray Rennard and Robert Gieseke. Disposition: July 27, 1923, discharged by United States Commissioner Atkins on his bond.

July 10, 1923: Charge: Suspected robbery, by Lieutenant Murphy. Arrested with Dave alias "Chippy" Robinson. Disposition: Released.

July 12, 1923: Charge: Suspected robbery, by Lieutenant Murphy. Arrested with Dave alias "Chippy" Robinson. Disposition: Released.

August 16, 1923: Charge: Suspected robbery, by Officer Payne, fifth district. Arrested with Dave alias "Chippy" Robinson. Disposition: Released.

September 10, 1923: Charge: Suspected robbery and murder, by Detective Sergeant Archey. Arrested with Helen Whalen, Elmer Runge, Edward Leonard. Disposition: Released.

September 25, 1923: Charge: Suspected robbery, by Detective Sergeant W. Ryan. Arrested with Ray Rennard. Disposition: Released.

April 10, 1924: Charge: Robbery of United States mail truck, St. Louis, Mo., April 2, 1923, by Lt. R. Kaiser et al., secret service division. Indicted with Stephen Ryan, Ray Renard, Dave alias "Chippy" Robinson, Gus Dittmeyer, Charles "Red" Smith, Steve Ryan, William Colbeck, Oliver Dougherty, William E. Engler, Roy Tipton, Mex Simonson. Disposition: November 6, 1924; United States district court, St. Louis, Mo.; jury failed to agree and was discharged. New trial set for January 13, 1925. The indictment in this case was dismissed by the United States district attorney.

September 22, 1924: Charge: Robbery of United States mail, Staunton, Ill., June 15, 1923. Indicted with William Colback, Oliver Dougherty, Dave alias "Chippy" Robinson, Chas. "Red" Smith, Gus Dietmeyer, Chas. "Red" Lanham. Disposition: November 15, 1924; United States district court, Quincy, Ill.; convicted, crime, assault of United States mail custodian; sentence 25 years, \$4,000 fine. (One 10-year sentence, two 5-year sentences, one 25-year sentence to run concurrently.)

It was generally known in the underworld, that Eppelsheimer was the "pal" of one Elmer Runge, a member of the Colback gang, and Eppelsheimer was the man who phoned and made arrangements for Runge to meet him on December 5, 1923, at the Regent Bar, located at 108 North Fourteenth Street, St. Louis, Mo., and where Runge was subsequently murdered on that date.

Ray Renard, in his writing of the above murder, in the St. Louis Star, of March 13, 1925, said, "Runge was trapped the way he trapped Londo. One of the gang knew that Runge trusted a certain man above all others. So he went to that fellow and told him to call Runge on the telephone and make a date to meet him in a place near Fourteenth and Chestnut Streets. Just as Londo had fallen for the telephone message of the man who decoyed him to his death, Runge fell for the message from his friend." Londo, too, was a member of the Colbeck gang before his murder.

About 2 years after the conviction of Eppelsheimer, Chief of Detectives Robert Kaiser received information from Lawrence Dougherty, a gangster, and who at the time was confined in a penitentiary, that Eppelsheimer, another man and himself had followed Chief Kaiser for about 1 year, during the mail-robbery investigations, with the intention of murdering him.

He was born in the city of St. Louis, Mo., on July 4, 1903, the son of Edward C. Eppelsheimer and Allie M. Eppelsheimer.

He entered the Ames School, at Fourteenth and Hebert Streets, exact date unknown, and on April 11, 1910, he transferred to the Clay School, at Eleventh and Bremen Avenues, and was placed in the first grade, third quarter, he continued his studies there until March 10, 1916, while in the sixth grade, second quarter, he having obtained a permit to work at the Terminal Railroad Association.

At all places in his school record, his date of birth was given as August 23, 1901.

Records at the Terminal Railroad Association show him as being employed there on March 9, 1916, the duration of the employment being unknown as their records have been destroyed.

November 16, 1924: Received at United States penitentiary, Leavenworth, Kans., to serve 25 years for assault of United States mail custodian.

On May 30, 1936, subject was transferred to United States penitentiary at Alcatraz, Calif. Discharged on June 25, 1941.

June 11, 1942: Arrested for investigation. Released.

June 2, 1943: Arrested at Clayton, Mo. Associate of gangsters. No disposition.

February 24, 1945: Arrested for carrying concealed weapon. Warrant refused on February 27, 1945, and was discharged on his bond.

Subject died on August 3, 1948, this city (natural causes).

BUREAU OF CRIMINAL IDENTIFICATION, METROPOLITAN POLICE DEPARTMENT,  
ST. LOUIS, MO.

The following is the criminal record of George William Aubright, alias Barney Barts, alias Barney Bart Bunning, alias Bartz, alias Barth, our No. 21643.

May 4, 1925: Arrested, charged with carrying concealed weapon. On August 18, 1925, in City Court No. 12, Judge Hamilton presiding. Pleaded guilty and was fined \$100. Stayed 60 days on part payment.

May 10, 1925: Arrested, charged with suspect of robbery. Released.

May 11, 1925: Arrested, charged with suspect of robbery. Released.

May 13, 1925: Arrested, charged with suspect of robbery. Released.

May 14, 1925: Arrested, charged with suspect of robbery. Released.

May 27, 1925: Arrested, charged with suspect of robbery. Released.

June 11, 1925: Arrested, charged with suspect of robbery. Released.

April 3, 1932: Arrested, charged with investigation. No disposition.

February 17, 1947: Arrested, charged with investigation. Released.

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EXHIBIT NO. 56

BUREAU OF CRIMINAL IDENTIFICATION, METROPOLITAN POLICE DEPARTMENT,  
ST. LOUIS, MO.

The following is the criminal record of Gregory "Red" Moore, in the files of this department.

January 25, 1919: Arrested, charged suspected of gambling. Bailed.

September 11, 1935: Arrested, charged suspected of assault to kill. Bailed.

February 19, 1943: Arrested, charged with investigation. Released.

No photograph.

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EXHIBIT NO. 57

BUREAU OF CRIMINAL IDENTIFICATION, METROPOLITAN POLICE DEPARTMENT,  
ST. LOUIS, MO.

The following is the criminal record of William Remphrey, alias William Remphry, our No. 19756.

July 30, 1923: Arrested, charged with suspected of robbery. Released.

April 27, 1924: Arrested, charged with burglary and larceny, July 7, 1924, in City Court No. 11: pleaded guilty to burglary in the second degree; sentenced to 2 years in the Missouri State Penitentiary.

July 14, 1926: Arrested, charged with leaving scene of accident and felonious wounding warrants issued. November 23, 1926, in City Court No. 11, charged with felonious wounding; was dismissed for want of prosecution.

April 6, 1933: Arrested in Clayton, Mo., charged with investigation. No disposition.

December 4, 1942: Arrested, charged with investigation. No disposition.

August 28, 1943: Arrested, charged with investigation. No disposition.

Subject has been arrested 22 other times for investigation, gambling, and speed.

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#### EXHIBIT NO. 58

##### BUREAU OF CRIMINAL IDENTIFICATION, METROPOLITAN POLICE DEPARTMENT, ST. LOUIS, MO.

Following is the criminal record of Roy Tipton, alias Raymond Thomas, alias Ed McCullough, our No. 14955.

May 14, 1919: Arrested, charged with burglary and larceny, June 30, 1919, in circuit court; pleaded guilty and was sentenced to 1 year in the city workhouse.

March 30, 1922: Arrested, charged with grand larceny, November 23, 1922, in City Court No. 11, Judge Miller presiding; verdict, not guilty. Discharged.

July 18, 1922: Arrested, charged with robbery in the first degree, August 2, 1922, in City Court No. 2. Discharged.

Arrested at Pittsburgh, Pa., on December 8, 1922; charge, suspicious person and carrying concealed weapon. December 9, 1922, released on \$500 bond. Indicted. No further disposition.

March 5, 1923: Arrested, charged with burglary and larceny, November 14, 1923, in City Court No. 12, Judge Grimm presiding; sentenced to serve 2 years in the Missouri State Penitentiary.

April 5, 1923: Arrested, charged with grand larceny, May 12, 1924, in City Court No. 10. Case was dismissed.

Arrested near Jefferson Barracks, Mo., on August 26, 1924, having been indicted by United States authorities for complicity in the holdup and robbery of United States mail truck on the morning of April 2, 1924, at Fourth and Locust Streets. November 6, 1924, in United States district court, in St. Louis, Judge Faris presiding; the jury failed to agree and he was discharged. New trial set for January 17, 1925, in United States district court in St. Louis, Judge Faris presiding; convicted of mail robbery and sentenced to serve 15 years in the United States penitentiary at Leavenworth, Kans. Was paroled from the United States penitentiary at Leavenworth, Kans., in November 1930 and was transferred to the Missouri State Penitentiary at Jefferson City, Mo., to serve a 2-year sentence for burglary. Returned to United States penitentiary at Leavenworth, Kans., from parole on January 18, 1932, to serve 15 years for mail robbery. Maximum term ended on April 16, 1936.

September 21, 1938: Arrested, charged with investigation. Released.

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#### EXHIBIT NO. 59

EVERY MONDAY NIGHT

HEAD AND HEAD CRAP GAME

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*Club El Morocco*

5 MILES NORTH OF CAIRO ON HIGHWAYS 37 AND 51

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BOSTON PUBLIC LIBRARY



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